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Note by the Secretary-General

The Secretary-General has the honour to transmit to the members of the General Assembly the report of the Joint Inspection Unit entitled "United Nations system common services at Geneva, part II, Case studies (ICC, JMS, TES, DPS, JPS)" (JIU/REP/2000/5).

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UNITED NATIONS SYSTEM COMMON SERVICES AT GENEVA

Part II: Case Studies

(ICC, JMS, TES, DPS, JPS)

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ACRONYMS

ACC	Administrative Committee on Coordination
CCAQ	Consultative Committee on Administrative Questions
DPS	Diplomatic Pouch Service
ECA	Economic Commission for Africa
ERP	Enterprise Resource Planning
ESCWA	Economic and Social Commission for Western Asia
FAO	Food and Agriculture Organization of the United Nations
FICSA	Federation of International Civil Servants Associations
HABITAT	United Nations Centre for Human Settlements
IAEA	International Atomic Energy Agency
IAPSO	Inter-Agency Procurement Services Office
IAPWG	Inter-Agency Procurement Working Group
IATA	International Air Transport Association
ICC	International Computing Centre
ICRC	International Committee of the Red Cross
ILO	International Labour Organization
IOM	International Organization for Migration
ISCC	Information Systems Coordination Committee
ISUG	Information Systems Users Group
IT	Information Technology
ITC	International Trade Centre
ITU	International Telecommunication Union
JIU	Joint Inspection Unit
JMS	Joint Medical Service
JPS	Joint Purchase Service
NGO	Non-governmental Organization
OCHA	Office of the Coordinator for Humanitarian Affairs
OHRM	Office of Human Resources Management
TES	Training and Examination Section
UN	United Nations
UNAIDS	United Nations Joint Programme on HIV/AIDS
UNCC	United Nations Compensation Commission
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFCCC	United Nations Framework Convention on Climate Change
UNFPA	United Nations Population Fund
UNHCR	Office of the United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNIDO	United Nations Organization for Industrial Development
UNOG	United Nations Office at Geneva
UNV	United Nations Volunteers Programme
WCC	World Council of Churches
WFP	World Food Programme
WHO	World Health Organization
WIPO	World Intellectual Property Organization
WMO	World Meteorological Organization
WTO	World Trade Organization

EXECUTIVE SUMMARY, OBJECTIVE, CONCLUSIONS AND RECOMMENDATIONS

The objective of this volume of case studies is to identify key strengths and constraints of some existing common services in order to derive lessons that can be applied to the expanded sharing of support services in accordance with the Plan of action for Geneva common services: 2000-2010" recommended in Part I of this report subtitled "Overview of administrative cooperation and coordination" (JIU/REP/98/4; A/53/787).

Whereas Part I of the report was a cross-sectional analysis of broad policy and organizational issues of administrative cooperation, the present Part II is a case-by-case review of five common services (ICC, JMS, TES, DPS, JPS) at the Geneva duty station. The criteria used to select the services as case studies as well as the analytic framework are explained in introductory chapter I. Individual services are reviewed in chapters II-VI. The concluding synthesis is found in chapter VII. The main findings and conclusions are the following.

The comprehensive inter-secretariat coverage and relative success of some of the services studied in this volume amply demonstrate the feasibility of developing, subject to appropriate improvements, similar cooperative arrangements for many other administrative support functions now performed internally by each organization. Such expanded sharing of services will be made all the more possible, efficient and cost-effective by the electronic integration or interconnection of the organizations concerned. If this powerful link between an integrated IT platform and the sharing of support services is fully operationalized, the organizations' current administrative and IT costs could be reduced considerably within the ten-year time frame recommended in Part I of the report for implementing a Geneva plan of action for common services.

However, despite that attractive potential for significant cost-reduction across the board, organizational attitudes towards common services at the Geneva duty station are far from encouraging. The facilities and potential of existing common services (e.g. ICC, JPS, TES) are not being harnessed fully by the organizations to trim administrative and IT costs. Worse still, centrifugal trends seem to be ascendant as some agencies have either pulled out of existing common services or have given notice of their intent to do so. Such actions, which appear to breach the system's institutional framework, may suggest inadequate understanding in some secretariats of the legislative and legal architecture of the United Nations common system, of which shared administrative and technical services form an important integrative fabric.

Accordingly, the case studies underscore the findings of Part I of the report with respect to the need for high-level, proactive leadership and strategic direction for Geneva common services. The Secretary-General's articulated commitment to the consolidation of common services within the United Nations needs to be given full expression at the Geneva duty station. That task devolves firstly to the Secretary-General himself in his dual capacity, on the one hand, as custodian of the Relationship Agreements between the United Nations and the specialized agencies and, on the other, as Chairman of ACC which is the administrative embodiment of those Agreements.

Secondly, the executive heads of the Geneva-based specialized agencies, through similar high-profile advocacy, should commit their respective secretariats to the goal of expanding common services in order to reduce administrative and IT costs. Such commitment is currently not apparent as revealed by the case studies.

Lastly, the Member States who established, govern and finance the United Nations system, have the ultimate role in preserving and perfecting the system, in making it ever more cost-conscious and cost-effective and sharpening its focus on constitutional mandates. As such the coordinated and consistent support by the governing bodies for Geneva common services will remain indispensable to ensure that shared administrative services in existence for many years

at the Vienna duty station and currently in expansion at United Nations Headquarters in New York as well as in field locations, are also implemented comprehensively at the Geneva duty station.

In this connection, attention is drawn to UN General Assembly resolution 54/255 of 4 May 2000 which endorsed the recommendations contained in Part I of this report, encouraged the Secretary-General and ACC to take "concrete steps to enhance common services" and invited "legislative organs of other organizations to take similar action on the basis of the present resolution".

Since Part I of the report contained the policy recommendations relating particularly to the implementation of a new framework for common services at Geneva, this volume sets forth recommendations specific to each of the individual services reviewed. For the three services managed or hosted by UNOG (TES, DPS, JPS) the recommendations should be viewed in generic terms as possibly applicable to other similar UNOG services not included in this volume, especially with respect to issues of staffing, structural visibility, statutory texts, or costing and cost-allocation formulas. Nonetheless, recognizing the selective inconvenience of this piece-meal approach, the Inspectors believe that the recommendations relating to the three services in question should serve as initial improvement steps as well as pointers to what should be a more comprehensive reform programme for UNOG common services, as recommended in Part I of this report.

Recommendation 1: International Computing Centre

(*a*) In view of the Centre's increasingly critical mission for IT services for the common system and to strengthen its linkages within that system, ACC should consider developing a closer association between ICC and ISCC, especially since members of ICC's management committee and those of ISCC are virtually the same IT managers; the two bodies could evolve into two subcommittees of a single ACC committee for information technologies and systems;

(*b*) In the interest of transparency and continuing service improvements, each representative on the ICC management committee should share with colleagues during committee sessions the reasons (service quality, efficiency, rates, etc.) why their respective organizations (where applicable) prefer not to use ICC services or prefer to source them either internally or commercially. Sharing of such information should become a regular agenda item for committee sessions and the reasons thus regularly provided and compiled should enable the Centre to adjust its operations as may be appropriate and desirable to earn the trust of its collective membership;

(*c*) The ICC management committee should commission independent technical auditors periodically to conduct comparisons of quality, efficiency and unit costs between the Centre's services and similar services provided internally by the ICC participating organizations;

(*d*) The management committee should establish a policy of staff exchanges and loans between the Centre and its member organizations in order amongst other things to relieve staff constraints at the Centre and strengthen synergies and communications between the Centre and the IT services of its member organizations;

(*e*) ICC member organizations should seriously consider the feasibility and long-term benefits of focusing increasingly on their strategic IT management functions while concomitantly strengthening the pooling within ICC of IT operational staff and functions as well as research for common solutions to new IT challenges;

(*f*) The ICC members who propose to reduce their recourse to its services or who have given notice of their intent to withdraw from the cooperative should review their decisions in the light of legislative directives on common services, including especially the latest UN General Assembly resolution 54/255 of 4 May 2000 which *inter alia* encouraged the Secretary-General and ACC to take "concrete steps to enhance common services" and invited the legislative organs of the other organizations to take similar action.

Recommendation 2: Joint Medical Service

(*a*) The possibility should be considered of reorganizing the present JMS structure into four units together with a more appropriate grading of the posts of physicians in the four units, as proposed in paragraph 43;

(*b*) JMS needs a more structured management committee similar to that of ICC and including the chiefs of staff insurance schemes and staff representative bodies at Geneva, and necessary measures should be taken to enhance the independence of JMS in relation to the management of its member organizations, and ensure its full and effective oversight by the proposed management committee, with WHO providing only administrative support as may be agreed by the committee;

(*c*) The staff insurance policies and rules of JMS member organizations should be harmonized to ensure equality of treatment and entitlements for all staff members in keeping with the spirit and letter of the common system; subsequently, the organizations should aim to create, like the New York based organizations, a single staff insurance programme at the Geneva duty station in order to maximize the benefits of a larger risk pool, centralized IT applications and economies of scale;

(*d*) In the context of the decentralization process under way in the United Nations, UNOG should be enabled to have its own Advisory Board on Compensation Claims independent of UN Headquarters; the independent medical authority of JMS should be fully recognized;

(*e*) The Geneva UN system community should develop a bold and long-term vision for JMS as outlined in paragraphs 68-70 in the light of increasing health-care costs to the organizations and staff, and in order to strengthen considerably JMS medical support for the field-based staff of its members. In so doing, lessons should be drawn from the WIPO Medical Unit which in turn should reintegrate a reformed and strengthened JMS, particularly in the light of the aforementioned UN General Assembly resolution 54/255 of 4 May 2000.

Recommendation 3: Training and Examinations Section

(*a*) Staff training facilities and programmes should be reorganized at the Geneva duty station as set out in paragraph 78 of this report;

(*b*) The mandate of TES should be revised to make it a fully-fledged common service for the Geneva International Community;

(*c*) Its service rates should also be reviewed to reflect real direct and indirect costs of services as a basis for cost-accounting and cost-sharing arrangements where applicable;

(*d*) The budget for TES should be consolidated, including the portion administered from Headquarters and IT resources overseen by the Technology Innovations Committee; however TES budget formats should clearly allocate resources to each of its different training programmes and there should be no cross-subsidization between the programmes, following the rule applied by ICC.

Recommendation 4: Diplomatic Pouch Service

The measures proposed in paragraphs 107-109 for modernizing the Diplomatic Pouch Service should be considered by the Secretary-General.

Recommendation 5: Joint Purchase Service

In reviewing JPS statutes, the Management Board should:

(*a*) Draw lessons and implications from procurement reforms already implemented or under way at United Nations Headquarters and seriously consider apportioning to JPS members centralized procurement responsibilities by product lines;

(*b*) Review the present staffing and structure of its secretariat in order to further strengthen its substantive and administrative role in discharging a strengthened JPS mandate or otherwise review its functions in the light of (*a*) above;

(*c*) Ensure that the budget of its secretariat and activities reflects real and all costs to facilitate transparent cost-accounting and cost-allocation processes;

(*d*) Establish annually combined purchase value objectives or targets for JPS, including especially annual quotas of IT items and contractual services to be processed through JPS, to ensure that the usefulness of the service can be quantified and verified to exceed its real costs to member organizations;

(*e*) Additionally, UNOG, as host to JPS, should henceforth highlight the JPS secretariat as well as other similar common services as distinct inter-agency entities in its organizational charts in order to promote their visibility and importance as common system integrators.

Recommendation 6: UNOG Divisions of Administration and Conference Services

Both Parts I and II of this report suggest the enhanced central role that UNOG should play in promoting and facilitating increased administrative cooperation and coordination at the Geneva duty station, especially in the implementation of the United Nations General Assembly resolution 54/255 of 4 May 2000. Accordingly, the Secretary-General should consider changing the names of the UNOG Divisions of Administration and Conference Services respectively to: (*a*) Division of Common Administrative Services and (*b*) Division of Common Conference Services, in order better to underline, firstly, their potential for wider inter-organizational coverage and, secondly, the need for deep efficiency improvements in the Divisions concerned to make the recommended expansion of coverage feasible, beneficial and attractive to Geneva-based organizations.

I. INTRODUCTION

1. Part I of the JIU report on United Nations system common services at Geneva (JIU/REP/98/4; A/53/787) was an overview of administrative cooperation and coordination amongst the Geneva-based secretariats of the United Nations system. It reviewed broad policy, organizational and administrative issues pertaining to the subject of common services at Geneva, with special focus on the UNOG infrastructure of common services. It also recommended a new collaborative framework, including in particular three common service centres and integrated information systems to facilitate expanded sharing of administrative support services amongst the secretariats. Benefits expected from the proposed framework include the trimming of the secretariats' overhead structures and costs and concentration of their resources more sharply on implementation of legislative mandates.

2. The recommendations contained in Part I of the report have been endorsed by the United Nations General Assembly in resolution 54/255 of 4 May 2000.

3. This second part of the report profiles the following common services: International Computing Centre; Joint Medical Service; Training and Examination Section; Diplomatic Pouch Service; and Joint Purchase Service. The two main criteria used to select these services as case studies are:

(*a*) Their extensive inter-secretariat or geographical coverage (ICC, JMS, Pouch);

(*b*) Their potential for further development as cooperative endeavours by the Geneva-based secretariats (Procurement and Training).

4. Among the case studies, only ICC was specifically established as a common service on the basis of a legislative instrument (UN General Assembly resolution 2741 (XXV) of 17 December 1970). ICC is also one of the rare inter-secretariat cooperative mechanisms at Geneva with a formal and effective management oversight body. JMS is managed directly by WHO on behalf of other participating organizations which jointly approve its budget. The rest of the common services reviewed in this volume are managed (DPS and TES) or hosted (JPS) by UNOG and shared with the other organizations on a cost-recovery basis.

5. The purpose of these case studies is to illustrate, in concrete terms, the operation of some existing services shared in varying degrees of coverage and success by the United Nations system community at Geneva and thereby identify key parameters for the development of similar cooperative arrangements in other administrative support areas, as outlined in Part I of the report (chapt. IV, paras. 81-96 and figs. 10 and 11 on pages 27 and 28 respectively).

6. The case studies share a standard review format which includes twelve headings, as follows:

A. Mandate (terms of reference), including objectives and main functions;
B. Coverage;
C. Structure;
D. Budget and staffing trends:
E. Financing and cost-allocation;
F. Management and accountability, including oversight or advisory mechanisms, cost-accounting, performance monitoring and reporting;
G. Quality and efficiency issues;
H. Technological innovations and their impact;
I. Constraints;
J. Lessons;
K. Development potential;
L. Strengthening measures.

7. The case studies are, however, not to be considered as in-depth management reviews or evaluations but rather as a summary analysis of some of the attributes shared or not by the services in question, and which could be emulated by the organizations in the design and development of other high quality, efficient and user-friendly common services, whether they are set up as independent entities, such as ICC, or managed by one provider organization, such as JMS and the other services forming part of UNOG. The review parameters for the case studies may also be applicable in future as a basic frame of reference for more in-depth reviews of common services generally by the participating or provider organizations.

8. The information and data used for the report have been provided in the main by the services concerned, and supplemented where necessary by the Inspectors' findings and analysis in the preparation of Parts I and II of the report. Thanks are due to all the organizations and entities which volunteered additional information for this volume.

II. INTERNATIONAL COMPUTING CENTRE

A. Mandate

9. Established by United Nations General Assembly resolution 2741 (XXV) of 17 December 1970, ICC remains to date the most important UN system cooperative mechanism and pool of know-how and resources for the provision of IT services. Although ICC lacks a formal statute or Inter-Agency Agreement and functions mostly like a non-binding arrangement, its role as the centre for operational IT services for the common system has steadily grown over the years, from its initial coverage of only three organizations in 1971 (UN, UNDP, and WHO) to 29 organizations as of 31 December 1999 (see below). Its terms of reference, which have remained virtually the same since inception, are in the process of revision to reflect changes in the IT industry and their implications for ICC members.

10. In performing its mandate, ICC provides many services that can be grouped under the following broad categories:

(*a*) Computer processing;
(*b*) Telecommunications, including Internet and messaging services, telex and fax, connectivity, etc;
(*c*) Professional and administrative services;
(*d*) Applications software;
(*e*) Facilities and systems management;
(*f*) Data storage;
(*g*) Printing services;
(*h*) Dedicated acquisitions and services.

11. Information provided by ICC for this case study suggests that there has been considerable growth since 1994 in the demand for its services. This has been so due to the ever growing complexity of IT, the scarcity of IT posts relative to needs in the organizations, and the economies of scale and favourable terms provided by ICC compared to commercial service providers. ICC also highlights the changing requirements of its members, driven among other factors by the need for increased IT capacity and the adoption of new systems, such as Enterprise Resource Planning, as well as Intranets and workflow systems.

B. Coverage

12. With its current 29 members, including the multilateral financial institutions, ICC is one of the very few inter-secretariat cooperative ventures of its scope existing within the UN system. It also provides services to non-UN system entities, such as the International Committee of the Red Cross, IATA, several NGOs and other organizations. Its geographical coverage includes all the major UN system duty stations.

13. However, although it provides a broad range of services, the use of these services is highly uneven among its members. The current picture is the following:

(*a*) Users: over US$ one million per year (in alphabetical order)

United Nations Conference on Trade and Development
United Nations Headquarters, New York
United Nations High Commissioner for Refugees
United Nations Joint Staff Pension Fund, New York
World Food Programme, Rome
World Health Organization
World Intellectual Property Organization
World Trade Organization

(*b*) Users: between US$ 50,000 and US$ one million per year

Economic Commission for Europe
Information Systems Coordination Committee
International Bureau of Education
International Fund for Agricultural Development, Rome
International Labour Organization (big reduction announced from 2000)
International Maritime Organization, London
International Trade Centre UNCTAD/WTO
United Nations Compensation Commission
United Nations Office at Geneva
United Nations Research Institute for Social Development

(*c*) Partner Organizations: Not using ICC services beyond US$ 50,000 per year or only attending Management Committee meetings

Food and Agriculture Organization of the United Nations, Rome
International Atomic Energy Agency, Vienna (has given two years' notice of withdrawal from ICC)
International Monetary Fund, Washington and Geneva
International Telecommunication Union
United Nations Children's Fund, New York and Geneva
United Nations Development Programme, New York and Geneva
United Nations Educational, Scientific and Cultural Organization, Paris
United Nations Environment Programme (Geneva offices)
United Nations Industrial Development Organization, Vienna
United Nations Office for Project Services (in 2000)
World Bank, Washington
World Meteorological Organization (has given two years' notice of withdrawal from ICC)

14. It goes without saying that the more organizations use ICC's services and thus participate in funding its budget, the more cost-effective it will become and the more it will be driven to maximize its relevance and usefulness to all its members. Further, although ICC is a loose cooperative whose members have the freedom of choice in sourcing IT services, the importance of ICC to the UN system goes beyond the simple provision of such services. ICC should be seen also as an important forum for the regular exchange of technical information, for keeping abreast of rapid developments in the IT industry, and for cooperating in the search for solutions to common problems, such as more recently ICC's activities in Y2K and Internet technologies.

15. Additionally, withdrawal from ICC by one or more secretariats has obvious liability implications for the other members, especially in the high cost of services and under-used potential likely to result from lower economies of scale, besides the unwelcome precedent such withdrawal would create at a time of increasing policy prescriptions for expanding common services as more recently reaffirmed by UN General Assembly resolution 54/255 of 4 May 2000. Moreover, considering that the requirement for common services within the UN system derives more specifically from the Relationship Agreements between the UN General Assembly and the supreme legislative organs of the specialized agencies and IAEA, withdrawal by any secretariat from common service arrangements may constitute a breach of common system treaty obligations.

16. Although ICC members should of course retain flexibility in their choice and sourcing of services, the unpredictability of developments in the IT sector and the associated uncertainties and risks for all organizations of the system, justify more structured and disciplined cooperation -

not less - in the management of risks and liabilities. Moreover, organizational specificities of any kind can hardly justify isolationist trends since the managerial hallmark of a common service should be its flexible capability to remain responsive to the differing demands of its members.

17. Those considerations argue for preserving and even strengthening the widely shared IT capital represented by ICC for the common good of all the secretariats. Thus, withdrawal being a counterproductive, isolationist option, the best possible choice for participants in common services generally is to contribute actively to the continual improvements of these services to ensure that they consistently meet standards of efficiency, cost-benefits and relevance defined by and acceptable to all participants, collectively and individually. The standardization of IT policies, equipment and systems should facilitate and even enhance the need for collaborative approaches and centralized delivery of operational services. Individual organizations could focus increasingly on strategic IT management functions.

C. Structure

18. The present organizational structure of ICC is shown on page 9.

D. Budget and staffing trends

TABLE 1

	Budget (thousands of US$)			Number of staff		
	Regular Budget	Extra-budgetary	Total	Professional Service	General Service	Total
1980/81	8 534	1 070	9 604	8	18	26
1990/91	19 143	4 454	23 597	16	18	34
1996/97	29 528	845	30 373	25	18	43
1998/99	31 792	6 068	37 860	25	18	43

19. The budget and staffing trends reflect the Centre's expanding services to an increasing number of client organizations. The figures speak for ICC's usefulness and relevance to the UN system. Its budget format identifies variable costs and fixed costs. Variable costs relate directly to specific services provided to members and which are spread over eight cost centres representing the major areas of the Centre's work. Fixed costs comprise operational expenses and overheads which support *inter alia* individual services, especially the networking and telecommunications infrastructure and the Call Centre and client support. In the 1998-1999 budget, variable costs amounted to just over US$ 23 million and fixed costs to about US$ 14 million. While the highly competitive and dynamic environment in which ICC operates makes it difficult to prescribe an "ideal" ratio between variable and fixed costs, there is little doubt that the more ICC members use its services, the more it might be able to contain its fixed and overhead costs.

20. With respect to staffing, one ICC member has commented that the Centre's staff has not increased since the 1996-1997 biennium as shown in table 1 above. Since then the use of Internet technologies by ICC members has expanded significantly, implying that the Centre will have to adjust its staffing profiles, if not level, in order better to address the rapid shift in the IT environment. This constant adjustment requirement presents even more acute difficulties for individual organizations with limited IT budgets and skilled staff, and further argues the case for pooling operational IT services so that individual organizations may better focus on IT policies and strategies.

E. Financing

21. ICC is a self-funding entity which operates on the basis of full cost-recovery. Participants provide the funds for the Centre's operations and investments, paying one-eighth of their funding estimates at the start of each quarter of a biennium. The amount thus advanced by each participant is based on its projected usage of the Centre's services. To facilitate the calculation of service costs and amounts payable by participants, ICC periodically circulates to its members a booklet of "service rates" which specify the estimated unit cost of each service item performed by the Centre. These unit costs, which must be seen as an important paradigm of cost-accounting and transparency in the operation of any common service, allow participants and the Centre itself to benchmark the costs of services against those of commercial service providers. Furthermore, there is no cross-subsidization between services. However, one member organization has queried the Centre's formula for Internet services which are charged by the gigabyte as opposed to the flat rate applicable in the private sector.

22. The Centre's biennial budget is financed by participants through three-month advances at a time, which require constant financial adjustments both at the Centre and in its client organizations. The six-month cycle of payments, which was considered but rejected by the management committee in 1999, could be ripe for another look in order to establish a more predictable and stable funding base for the Centre, particularly if some members appreciably reduce their use of its services. One organization has suggested that ICC be authorized to charge agreed rates which included a minor profit to be used for research and development, which is now hardly done but would seem fully justified to maintain the Centre and its members in the forefront of IT developments.

F. Management and accountability

23. ICC has an effective oversight mechanism, which is its management committee comprising the heads of IT departments in the participating organizations and who also represent the end-users of the Centre's services. In addition, the day-to-day management of the Centre is assured by the Centre's director, who is appointed by the United Nations Secretary-General upon the recommendation of the management committee. The management committee meets twice a year and is responsible for reviewing and approving the Centre's programme budget and work plans. Members of the committee are responsible within their respective organizations for deciding the extent to which the latter can rely on ICC as a service provider. They are also responsible for preparing ICC's funding estimates for their organizations. The fact that the management committee consists mostly of IT specialists provides a reasonable guarantee for the effective and responsible governance of ICC. However, it may be wondered how committee members are able to balance their commitment to ICC, as an IT common service pool, with their career interests as managers of IT departments in their respective organizations. There is at present no clear-cut division of labour between ICC and its members' in-house IT services, especially in terms of the useful distinction between policy and operational functions.

24. With regard to performance monitoring and reporting, the Centre periodically provides performance-related information on-line, including usage data for individual services to its participants. It also performs regular benchmarks which are reported to its management committee. Further, ICC uses its Call Centre for communications with, and feedback from, users and detailed records of problems and management activities are computerized, tracked and analysed.

G. Quality and efficiency

25. As noted earlier, ICC conducts performance benchmarks which, according to the Centre's director, demonstrate that there are significant cost advantages in using the Centre's services. The Centre commissioned external technical audits of its operations in 1993, 1995, 1998 and 1999 which are considered to have been of great value. ICC also measures the quality of its services with specialized software and tools, but believes that service quality is also driven by

staff attitudes, such as their motivation, commitment, and ability to work in teams. The Inspectors did not have the opportunity to assess how regularly and effectively the Centre's staff are being trained and retrained to keep up with the rapid changes in the IT sector. In this connection, it is observed with some concern that staff training resources were reduced by over 30 per cent in the Centre's current programme budget in order to address a major shortfall in the previous budget estimates.

H. Technological innovations

26. The Centre currently has technological assets worth US$ 50 million in hardware, software and specialized items as well as a substantial intellectual capital in processes and highly specific knowledge. However, the life cycle of these assets is short due to the fast pace of changes in the IT industry, requiring constant renewal and adaptations to remain up to date and relevant. Moreover, ICC equipment has to have the full support of the vendor community without which it can hardly guarantee operations 7 days a week, 24 hours a day. As such, the Centre requires a steady stream of IT investments and rearchitecture to maintain an appropriate level of technology while keeping in step with established industry practices.

I. Constraints

27. Some of the financial constraints currently facing ICC have been noted earlier. These constraints, which limit the ability of the Centre to innovate and sustain its relevance in a very competitive sector, can be attributed to the financial pressures experienced by ICC participating organizations or to their reluctance to make maximum use of the Centre's services. Additionally, the knowledge content of ICC services is increasing while experienced and skilled IT personnel are becoming ever more difficult to recruit. The common system salary scale may also not prove adequate to attract the best and brightest in the IT market. One possible, if partial, solution would be to institute a policy of voluntary staff exchanges between ICC and its member organizations. Another measure proposed in paragraph 23 above regarding a clearer division of labour between the Centre and its members' in-house IT services should contribute to relieving skills shortages both at the Centre and in its member organizations.

J. Lessons

28. One instructive lesson provided by ICC is the limited start-up of a common service by a few organizations and its subsequent development into a system-wide cooperative arrangement. Another lesson for other common services is the ICC calculation of service rates, reflecting the unit cost of services, as a basis for billing its participating organizations and for transparent cost-accounting and cost-management purposes. Also worth emulating by other common services is the ICC practice of regularly benchmarking its services with the help of independent management and technical audits, thereby ensuring that service quality and efficiency parameters are comparable to or above those of other providers of similar services in the commercial sector.

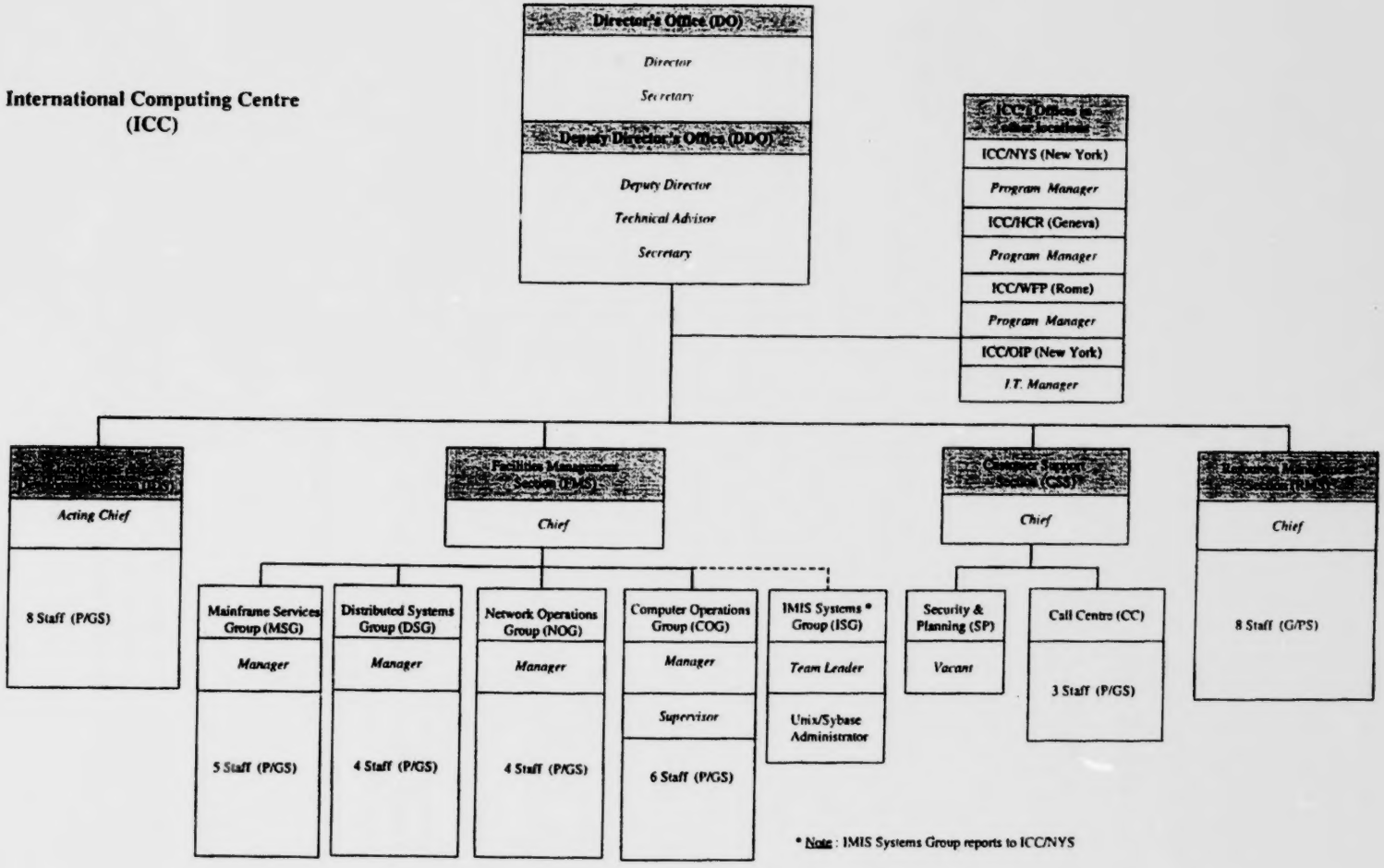
29. However, comparisons with the private industry may not always be possible and even desirable for each and every common service because of some common system specificities, such as mandated operational procedures requiring the application of common system policies and rules. Benchmarking through comparisons of like-for-like among common services within the UN system, and/or support service units of the organizations themselves can and should be conducted regularly to identify the most efficient and cost-effective performers and methods of delivery, including outsourcing practices, as proposed in figure 10, page 27, of Part I of this report. It would, for example, be interesting to know the reasons for the different average time cycles required to deliver the same services in the different organizations (e.g. recruitment; procurement; justice administration; or processing of travel, medical and education grant claims).

K. Development potential

30. The steady expansion of ICC services over the past decade testifies to its demonstrated usefulness as well as potential for further development. Tapping this potential to the maximum will depend, in the first instance, on the Centre's managerial and technical capacity to sustain service quality, efficiency and relevance *inter alia* by continually adjusting its resources and processes to the accelerating dynamics in the IT sector. But that also depends to a large extent on the readiness of the Centre's participating organizations to make optimal use of its services and to consider it as complementing their own resources, given that they are the "owners" of the Centre. Thus, by enhancing their stakes in, and ownership of, the Centre, the organizations can expect to reap individual and collective benefits in the total value added by ICC to their operations, as outlined in the draft "Business Plan for ICC Beyond 2001". Only by so doing can the Centre overcome its current budget and staff constraints which inhibit the full realization of its potential.

L. Strengthening measures (see recommendation 1)

International Computing Centre (ICC)



Note: P = Professional
GS = General Service

III. JOINT MEDICAL SERVICE

A. Mandate

31. The Joint Medical Service, which is managed by WHO, was established in 1968 on the basis of a written Agreement by the founding Geneva-based organizations. The Agreement has never been amended or updated. Its basic mandate, which is similar to that of the UN Headquarters Medical Services Division, is to advise member organizations on medico-administrative issues, provide preventive medical care as well as health promotion and education services to the staff of the organizations.

32. This mandate is performed through the following principal functions:

(*a*) Medico-administrative functions

- Medical examinations and clearance of staff at various stages of their period of service with the organizations;
- Administration of sick leave and staff benefits programme under the Pension Fund, compensation and health insurance schemes of the organizations;
- Provision of advice on work environments, staff medical fitness, and health-related field issues such as evacuations, or state of local medical facilities, etc.;

(*b*) Clinical functions

- Consultations on a wide spectrum of occupational health problems, such as emergency care, confidential medical counselling or inoculations and laboratory tests;
- Medical briefings and debriefings of staff before and after field missions;
- Support to field UN dispensaries by way of provision of drugs and assessment of field medical facilities;

(*c*) Health promotion and education

- Promotion of the application of guidelines on a healthy work environment;
- Dissemination of information through brochures and other means on necessary preventive measures regarding various diseases and health hazards such as smoking and substance abuse;
- Special health promotion and inoculation campaigns.

B. Coverage

(*a*) Inter-organizational

33. JMS currently covers the following UN system organizations: UNOG, WHO, UNHCR, ILO, ITU, WIPO, WMO, UNV (Bonn), ITC, UNICEF (Geneva Office), UNAIDS, as well as WTO which is not part of the UN system. The aggregate staff served by JMS at Geneva was over 8,000 in 1998 (see table 2).

(*b*) Geographical

34. The geographical scope of JMS is essentially Geneva except for UNV and UNFCC in Bonn and provision of drugs to some 50 UN dispensaries in the field. Additionally, the administrative workload of JMS includes clearance of medical reports from field-based examining UN physicians. However, a major flaw in the Agreement establishing JMS is that it does not specifically provide for JMS medical support for the field staff of its member organizations. As can be seen in table 2 below, the aggregate field staff currently outnumber Geneva-based staff.

C. Structure

35. The current organizational structure of JMS consists of the six units shown in table 2.

TABLE 2

UNIT		Staffed by	Organization(s) served	Staff Served (1998)			
				Based at Geneva		Based in Field	TOTAL
				No.	%		
1	**UNOG**	1 Doctor (P-4) 5 Nurses/lab technicians 3 Secretaries	UNOG WMO WIPO ITC UNICEF UNEP UNV/UNFCC	3 662	44.3	2 576	6 238
2	**WHO**	1 Doctor (D-2) (JMS Director)* 1 Doctor (P-5) 2.5 Nurses/lab technicians 3 Secretaries	WHO UNAIDS	1 252	15.2	2 589	3 841
3	**UNHCR**	1 Doctor (P-5) 3.5 Nurses/lab technicians 2.5 Secretaries	UNHCR only	880	10.7	3 519	4 399
4	**ILO**	1 Doctor (P-5) 2 Nurses/lab technicians	ILO only	1 221	14.8	1 660	2 381
5	**ITU**	Doctor (P-5) visits three times per week 1 Nurse 1 Secretary	ITU only	732	8.8	28	760
6	**WTO**	Doctor (P-5) visits three times per week 1 Nurse 1 Secretary (part-time)	WTO only	512	6.2	-	512
TOTAL				**8 259**	**100.0**	**9 872**	**18 131**

* The JMS Director consults and has offices in all the units.

36. Each of the four principal medical units (UNOG, WHO, UNHCR and ILO) performs standard JMS functions, except that the UNHCR unit performs laboratory tests for all other units, and that X-ray tests are performed only in UNOG, WHO and ILO. However, X-ray tests having declined sharply to 847 in 1997 from 3,900 in 1993, the rationale for maintaining 3 separate, under-utilized X-ray facilities must be questioned as much as the dramatic decline in the number of X-ray tests performed by JMS.

37. Table 2 shows further that the distribution of JMS human resources is not proportionate to the relative demands on its services in the different units. The UNOG unit, which caters to 44 per cent of the staff served by JMS, besides the additional potential demands on this unit by thousands of conference delegates visiting the Palais premises in every given year, is patently under-staffed as can be seen in table 2.

38. Moreover, whereas all other JMS units are headed by P-5 physicians, the UNOG unit is headed by a P-4 physician. However, the JMS Director (D-2) alternately covers both WHO and UNOG units in addition to his managerial, counselling and administrative duties for the whole service.

39. The present structure of JMS is designed essentially to provide services to Geneva-based staff. Field staff of the organizations are served by field dispensaries and for medico-administrative purposes by a network of designated UN physicians whose reports are cleared by JMS. The JMS workload for field staff is, therefore, mostly administrative. Probably for this reason, UNHCR, the vast majority of whose staff are field-based, has had to develop its own, self-financed medical logistics for the field in addition to its JMS unit at Geneva. Other JMS members with significant field presence (WHO and ILO) have so far not taken similar initiatives either individually or, preferably still, within a reorganized JMS framework.

40. Furthermore, although the current decentralized and somewhat duplicative structure of equipment, personnel and services might not be the most rational or efficient deployment of resources, the organizations concerned appear to be more or less content with this arrangement for various reasons: proximity and convenience of access to services; justifiable sense of ownership of services; closer familiarity of service personnel with the specific character of each organization; etc. However, this arrangement has effectively fractured JMS into autonomous units strongly identified with their respective organizations and with hardly any staff rotation amongst the units. The development by UNHCR and WIPO of parallel medical-care units to cater to their staff is not only proof of dissatisfaction with current arrangements but has also further aggravated the disintegrative process within JMS.

41. A recent suggestion made to the Inspectors by at least two JMS member organizations would have JMS reorganized into a "federal structure" whereby each organization would have its own medical service with only health promotion and related tasks being centralized. Clearly, this approach, besides being more costly to the Member States, would kill off JMS as a common service by legitimizing its disintegration into as many autonomous medical services as there are United Nations system organizations at Geneva, in sharp contrast to the existing set-up of medical services at other UN system duty stations, and in breach of the afore-mentioned UN General Assembly resolution 54/255 of 4 May 2000. The suggested structure would moreover create inter-organizational disparities in the performance of functions now standardized within JMS, as currently exist with respect to the "federally" structured staff health insurance programmes of the organizations.

42. Contrary to the "federal" concept, the Inspectors have identified three major criteria under which JMS could be rationally restructured, as shown below.

(*a*) Geographical deployment

(i) Significantly decentralized or field-oriented: UNHCR/WHO/ILO;

(ii) Geneva-based with some field presence: UNOG/ITC/UNEP/UNICEF;

(iii) Entirely or mostly Geneva-based: ITU/WIPO/WMO/WTO.

(*b*) Same staff insurance programme

(i) UNOG: UNOG/UNHCR/WMO/ITC/UNEP;

(ii) WHO: WHO/UNAIDS;

(iii) ILO: ILO/ITU;

(iv) Private sector insurance provider (Van Breda): WIPO/WTO.

(*c*) Physical proximity

(i) UNOG and related UN entities;

(ii) UNHCR/WMO/WTO;

(iii) ILO/WHO;

(iv) ITU/WIPO.

43. The present JMS structure does not correspond to any of the three criteria shown above that might justify the structuring of the service with convenience and efficiency in mind. It may be further observed that under each of the three criteria there is room only for four JMS units as opposed to the present six units. The Inspectors therefore conclude that the current arrangement should be reformed by having fewer units and not more. Having carefully considered the three reorganization options, and bearing in mind the three common services centres recommended in Part I of this report for Geneva-based organizations, the Inspectors propose a JMS restructuring strategy which is both physical and functional, as shown below.

(*a*) Physical reorganization (proximity criterion)

TABLE 3

UNIT		No. of full-time physicians	Staff served (1998 figures)					
			Geneva		Field		Total	
			No.	%	No.	%	No.	%
1.	ILO/WHO/UNAIDS	Director (D-2)1 (P-5)	2 473	30.0	3 749	38.0	6 222	34.3
2.	UNOG/ITC/UNICEF/ UNV	Deputy Director (D-1)1 (P-5)	2 728	33.0	2 574	26.0	5 302	29.2
3.	UNHCR/WMO/WTO	1 (P-5)	1 643	20.0	3 521	35.7	5 164	28.5
4.	ITU/WIPO	1 (P-5)	1 415	17.0	28	0.3	1 443	8.0
TOTAL		**6**	**8 259**	**100.0**	**9 872**	**100.0**	**18 131**	**100.0**

(b) Functional reorganization

(i) Common system medico-administrative functions duly rationalized would be performed for all JMS member organizations only in the UNOG and ILO/WHO units, plus standard health promotion and clinical services;

(ii) More advanced health care and laboratory facilities (to be defined) could be located in the UNHCR/WMO/WTO unit, plus standard health promotion and clinical services;

(iii) A drugstore/pharmacy for all JMS members could be located in the ITU/WIPO unit, plus standard health promotion and clinical services;

(iv) JMS full-time physicians, assisted by part-time physicians and interns, would rotate amongst the different units as in the past but on a more systematic basis. The nurses and laboratory technicians based permanently in each unit would maintain the necessary institutional memory and sense of familiarity. But these latter concerns could become obsolete with the electronic integration of the units as part of an interconnected IT platform for the Geneva-based organizations, as stressed in both volumes of this report.

44. Such a restructuring can be expected to result in savings by reducing the current duplication of resources and fragmentary nature of the present arrangement. It would also assure standard services for all participating organizations. It may be observed that the Medical Services Division at UN Headquarters has only three units or clusters: one for medico-administrative (common system) tasks; one for peacekeeping operations and the other dedicated to UNDP/UNICEF/UNFPA.

45. Perhaps because of its fewer units carrying a workload more or less similar to that of JMS, the Medical Services Division had a 1998-1999 budget of about US$ 5 million, compared to the JMS 1998-1999 budget of US$ 7,815,400. The two medical services had virtually the same number of professional staff and JMS several more General Service (GS) staff during the biennium in question. However, the differences in staff costs between Geneva and New York and the existence of a special peacekeeping account for support services at UN Headquarters may explain the higher figures for JMS. The Inspectors caution however that structure is not everything and that there can be no one ideal structure of an organization or service. Other success factors are summarized in chapter VII.

46. Also worth noting is that the fragmentary JMS structure is comparable to the diversity of staff insurance programmes operated by its member organizations. JMS physicians provide medical advice, free of charge, to these programmes, except for WIPO and WTO which are covered comprehensively, including medical advice, by a private insurer. The five insurance programmes offer different conditions and services to the staff of the organizations, thereby creating disparities in coverage and entitlements. Yet, JMS exists partly to ensure common and uniform occupational health standards and services for the staff of its member organizations.

47. Therefore, it would seem necessary, as a first step, to harmonize the different insurance policies and provisions in order to ensure equality of treatment for all staff members as well as conformity with common personnel standards of the organizations, in keeping with the spirit, if not the letter, of the United Nations common system. The next logical step should be to work progressively towards the creation of a single staff insurance programme for the Geneva duty station, just as currently exists at the New York duty station. In fact, the common health insurance information system jointly developed and used by UNOG, WHO and ILO at present, and which is judged to be particularly useful, already constitutes the first building block of a Geneva staff insurance common service.

D. Budget and staffing trends

48. The evolution of JMS budgets and staffing tables between 1980/1981 and 1998/1999 is shown in table 4.

TABLE 4

Year	Budget (thousands of US$)	Number of staff		
		Professional and above	General Service	Total
1980/1981	2 779	5	24	29
1990/1991	5 291	5 1 part-time	24 3 part-time	29 4 part-time
1998/1999	7 815	6 1 part-time	27 6 part-time	33 7 part-time

49. The workload patterns over the two previous decades can be inferred from the increase in the number of participating organizations from 9 in 1980 to 12 in 1999 and the Geneva-based staff of these organizations from about 7,000 in 1980 to over 8,000 in 1998. Over the years, the JMS budget hardly included provisions for medical support to field staff. Only in the 1998/1999 budget was there an allocation (US$ 50,000) for field missions.

E. Financing

50. JMS is financed on a pro-rata basis of services received by the participating organizations. The cost-sharing arrangement for the budget approved for the 2000-2001 biennium is shown in table 5:

TABLE 5

Organization	%	Amount (thousands of US$)	Organization	%	Amount (thousands of US$)
UNOG	24.2	1 994	WIPO	3.8	313
WHO	20.5	1 689	WMO	2.0	165
UNHCR	18.1	1 491	UNV	1.5	124
ILO	13.2	1 088	ITC	1.3	107
ITU	7.2	593	UNICEF	1.1	91
WTO	6.2	511	UNAIDS	0.9	74

51. The present cost-sharing arrangement appears satisfactory to the organizations, at least to the extent that it is based on services actually received and not on the number of staff of each organization, although there is a close correlation between the two. In addition, JMS calculates the unit cost of its services based on major service parameters agreed upon every two years by its member organizations. However, the costs of infrastructural services such as space and utilities for the different JMS units are not calculated or included in total JMS costs, nor are the costs of JMS advisory services to staff insurance programmes computed and apportioned to members. Staff insurance societies should pay for JMS services and JMS should develop a costing formula to that end.

F. Management and accountability

52. The 1968 Agreement establishing JMS did not include or envision a management oversight or advisory body. However, the directors of human resources of the participating organizations meet every two years to approve the JMS budget. But these biennial meetings can hardly be described as a structured and effective management committee similar to that of ICC which meets more regularly (twice a year) and decides on budget and non-budget issues of management. Therefore, unlike ICC, JMS lacks a forum for more regular and detailed review of its work, constraints and service improvement possibilities. Such a forum needs to be established and should also include the chiefs of staff insurance schemes in JMS member organizations as well as representatives of Geneva-based staff associations.

53. In addition to the biennial meetings mentioned above, the JMS Director participates in regular annual meetings of all the directors of medical services of the UN system, usually chaired by the Director of Medical Services Division at UN Headquarters. The meetings focus on important staff health issues of the moment, such as medical evacuations or HIV/AIDS, but also and increasingly on the reform of medical services and standards. It would seem that current medical guidelines applied in the different duty stations have been developed rather pragmatically, and that a formal updating and promulgation of system-wide standards are still awaited.

54. The meetings of the UN system medical directors represent an appropriate forum for devising effective strategies and programmes for considerably strengthening health-care services for the field staff and for modernizing the statutory instruments of the organizations' medical services accordingly. One option could be for JMS and the UN Medical Services Division, whose collective member organizations account for over 80 per cent of the system's field-based staff, to develop joint field extensions of their respective services. The staff insurance schemes should be involved in addressing the additional financial implications of this proposal. To date, the disbursements of these programmes for the medical bills of Headquarters staff have always exceeded, by a very significant measure, expenditures for field staff for the simple reason that medical care is much more costly in the developed countries than in the developing ones. As a measure of equity if not compensation, it would seem logical to closely and financially involve the staff insurance programmes in the establishment of more acceptable health-care facilities for the field staff of the organizations, especially within the context of UN system common services at field duty stations in accordance with relevant resolutions of the UN General Assembly on common premises and services in the field.

55. JMS currently maintains strict lines of accountability to the directors of human resources of its member organizations, exclusive of staff representative bodies. Yet, JMS, like other medical services of the system, is dedicated almost entirely to staff welfare. For example, the Service issues a biennial confidential medical report which tracks sick leave, disability and mortality patterns amongst the staff of each member organization over a period of ten years or so. This report provides a rough index to managerial and occupational factors affecting the health status of staff in the different organizations. It is, therefore, of great value to the administrations and staff alike. But it is not shared with staff representative bodies.

56. The above is only one example among others suggesting the desirability of an independent status for JMS, which should have the confidence of both management and staff. The latter should be enabled to confide freely to JMS physicians about their work environment and even family-related problems without fear of breach of confidentiality, or without viewing JMS as a tool of management. Such sentiments can be fostered by the present structure of JMS whose units have become too closely identified with the administrations of its member organizations.

57. In terms of performance monitoring and reporting, JMS compiles detailed workload statistics for the key parameters of its work, such as medical and X-ray examinations, laboratory tests, inoculations, etc. These statistics, which are reported periodically to the participating organizations (but not to the staff) are also the basis for billing them for services rendered.

G Quality and efficiency

58. The quality and efficiency of JMS services are largely conditioned by the administrative cultures of its membership. Thus, most of the medico-administrative functions it performs since inception on a mechanical routine basis reflect the demands of its members as well as the somewhat complex and archaic nature of the UN system's rules and procedures, especially as pertains, for JMS, to the administration of sick leave or medical clearance requirements, for example. Unless these rules are revamped and modernized in accordance with evolving occupational health needs and standards, JMS and other medical services of the system will continue to devote more of their precious time to routine paperwork for the administrations than to promoting the occupational health status of staff members. To be acceptable and effective system-wide, major modernization reforms would need to be triggered at the level of the afore-mentioned meetings of medical directors of the UN system.

59. Pending action at a more global level, however, JMS could be somewhat more entrepreneurial and creative, with WHO's added value, in developing innovative approaches to health care, health promotion and education as well as in "marketing" its usefulness and relevance to its staff constituency. Such initiatives would hopefully be facilitated by the type of structured management body recommended above, as well as by the WIPO initiative to upgrade health-care services for its staff (see further below). Further, JMS should have the benefit of periodic independent quality audits of its services, as now done by ICC, and surveys of the rate of satisfaction of the user community. JMS could itself conduct periodic surveys electronically and engage the staff to provide ideas for service improvements.

60. Quality and efficiency measures also must be sustained over time, especially through the training and retraining of JMS staff or their periodic exposures to other medical services within and outside the UN system. In addition, as IT has become an indispensable working tool in all organizations, JMS staff should equally possess basic IT skills, at least those relevant to their functions. Furthermore, language skills are especially important for JMS staff who must communicate on a daily basis with staff members of many nationalities. Therefore, proficiency in at least two working languages (English and French) should be encouraged for all JMS staff through a structured language training programme where necessary. In due course fluency in at least English and French should become one of the mandatory qualifications for recruitment to JMS.

H. Technological innovations

61. Information received from JMS suggests that its medical equipment in the different units is adequate overall. With respect to the computerization of administrative tasks, the 1998-1999 budget included US$ 141,500 for this purpose but JMS is still to develop a LAN and database for the electronic management of medical reports and sick-leave data. A major handicap beyond JMS control has been the uneven stages of IT development in its member organizations, compounded further by incompatible systems which have inhibited the electronic integration of the organizations. To a significant degree, the efficiency of JMS in performing administrative functions and communicating with its user community will depend on the achievement of an integrated IT platform for Geneva-based organizations. The same observation applies to other common services.

I. Constraints

62. The present six-unit configuration of JMS is perhaps its biggest constraint that seems to limit its ability to use staff and equipment more efficiently and perhaps to innovate health-care services. This structure is also not cost-effective. Another constraint is the limited, independent authority of JMS in relation to the management of its member organizations which have the discretion to apply or not JMS recommendations. This would seem to be the case especially with the Advisory Board on Compensation Claims at UN Headquarters, which can take as much as two years to act on claims. Perhaps a similar Board at UNOG would be worth considering, particularly in the context of the ongoing decentralization process in the United Nations.

63. Yet another constraint is limited JMS coverage of the field staff of its member organizations because this requirement was neither stipulated in its statutory instrument nor subsequently addressed by JMS members.

64. Finally, JMS has a biennial budgeting period which affords limited flexibility in managing resources to cope with short-range changes in the demands for services. Although the mandate and functions of the service have been stable since its inception, workload fluctuates in correlation with the aggregate staffing levels of the organizations. An annual budgeting and appropriation cycle could be one solution that would also match the annual programme budget cycles of some JMS members such as UNHCR or UNICEF.

J. Lessons

65. Despite its problematic structure and the isolationist tendencies of some its constituents, JMS is pretty well established as a common service, but one in need of a modernization programme. The first lesson is that JMS performs quasi-normative functions (relating to staff rules) for all the Geneva-based organizations. Thus it disproves the contention by some organizations that administrative support functions of a normative nature may not be amenable to inter-agency cooperative services.

66. Another important lesson is that JMS operates under more or less uniform medical policies and guidelines established for the common system, from medical guidelines for recruitment to disability entitlement policies. These guidelines, however, need to be formalized and published as medical standards for the UN system. Acceptance and consistent application by the organizations of common policies, standards and approaches are an important prerequisite for the success of common services.

67. The annual meetings of the system's medical directors also represent an interesting example worth emulating by other common services where appropriate and feasible. Such meetings not only encourage a useful flow of information among service units at different duty stations but also promote standard policies and approaches. However, those benefits are only the first step of a more desirable linking of UN system common services (and/or the support services of individual organizations) into an interdependent network of similar services at different duty stations in the world. That would further strengthen the material glue that these services represent within the UN system of organizations. Internet-based applications or interconnected networks of the system should boost such horizontal communication and cooperation among the services and duty stations with a view to identifying and emulating the most efficient performers and best practices in the delivery of services. Besides JMS, other more relevant examples include pouch, procurement, training, recruitment, many finance functions, translation and interpretation, printing, publishing, etc.

K. Development potential

68. The technological and qualitative advances in the health-care sector and the rising health-care costs at Geneva may justify some forward thinking by the Geneva-based organizations in charting a future for JMS. In gathering information for this report, the Inspectors were informed by the Swiss authorities that they would not object to arrangements by the UN system at Geneva to develop more advanced health-care facilities for their staff and dependants.

69. Indeed, if the Geneva UN community can afford a duty-free shop for, among other things, alcohol and tobacco, it surely can be entitled to a duty-free drugstore or pharmacy as the first stage of measures to further modernize and broaden clinical services available to staff members and dependants. It is instructive to note in this regard that WIPO established in 1998 its own medical unit, while remaining a member of JMS, with the following objectives: (*a*) to provide health-care services to WIPO staff, retirees and foreign delegates; (*b*) to improve the health-related aspects of the physical working conditions of staff; and (*c*) to contain the costs of medical care incurred by WIPO and its staff. The first two objectives pursued by the WIPO Medical Unit are similar to the JMS mandate (excepting health-care services to retirees and delegates), while

the third objective is a commendable innovative attempt by WIPO to contain medical-care costs. By establishing with their own funds in-house medical facilities while still relying on JMS services, WIPO and UNHCR have charted a new direction whose overall benefits as well as medico-legal and other implications deserve a thorough review by the JMS Management Committee proposed in this report.

70. In developing a vision for JMS, its statutory text would need a thorough review and perhaps relevant staff rules should also be revisited to cure JMS of administrative overdose. Equally important still, the chiefs of staff insurance programmes of the organizations would need to be involved in contributing ideas on how health-care facilities and services can be enhanced for the system community at Geneva with the secondary goal of reducing staff insurance premiums and pay-outs. Admittedly, these are matters requiring more detailed analysis which the Inspectors would recommend to JMS members to undertake in collaboration with the chiefs of staff insurance programmes so that the reported benefits of WIPO's initiative can be made accessible to the staff of other Geneva-based organizations and thereby facilitate the integration of the WIPO Medical Unit into JMS.

L. Strengthening measures (see recommendation 2)

IV. TRAINING AND EXAMINATION SECTION

A. Mandate

71. The mandate of TES is to:

- Provide career development and job-related training (including language training in the six official UN languages) to UN staff members based at Geneva, and (subject to cost-sharing agreements) to Geneva-based staff members of UN system organizations and other international organizations and permanent missions;
- Organize the UN Language Proficiency Examinations for UN system staff members at Geneva;
- Organize professional recruitment examinations on behalf of the UN Examinations Service in New York and for local recruitment on behalf of UNOG.

72. This case study is concerned only with the training function which comprises the following four categories:

- Language and communication skills training;
- Information technology training;
- Management and career development training;
- Specialized job-related training (technical).

B. Coverage

73. TES has remained for many years the largest provider of training as a common service at Geneva. In addition to UNOG staff, TES provides language training in the six official languages and, on a cost-sharing basis, to the staff of almost 20 other UN entities, the specialized agencies, personnel of permanent missions, intergovernmental and non-governmental organizations, dependants of UN secretariat staff, consultants, retirees, employees of service organizations and the Press Corps.

74. However, ILO operates a parallel common service for language training limited to English, French and Spanish. ILO's language courses are similarly open on a cost-recovery basis to other specialized agencies (mainly WIPO and ITU), as well as to non-UN system organizations, notably IOM, ICRC, WCC, and increasingly to the staff of permanent missions.

75. WHO has chosen to outsource its language training programme to a private language school (Parole). But the special benefits WHO derives from this arrangement are not known, especially since some of its staff continue to use TES and ILO language training facilities. Further, UNHCR and UNEP also have their autonomous training units and therefore only very rarely use TES services.

C. Structure

76. As can be noted from the foregoing paragraphs, training facilities and programmes for Geneva-based secretariats are very fragmented. One of the reasons for this situation has to do with the limited terms of reference of TES which is mandated to provide non-language training only to UN staff. The result is that each organization operates its non-language training programme on its own, or subcontracts with a commercial provider. Another reason for fragmentation may be the requirement to tailor training content to the specialized or differing needs of some organizations or staff categories. Yet another reason may be the physical

impracticality (lack of adequate premises or central location, etc.) of consolidating training programmes in one provider entity, along the lines of ICC.

77. Further still, with the exception of long-established language training, and some communication skill programmes, most Geneva-based organizations are in the early stages of developing training services, especially the smaller ones which have tended to use outside expertise. Additionally, virtually all the organizations have very limited budget allocations for training relative to needs, particularly IT training which needs to be expanded considerably if the organizations are to reap the expected benefits from their huge IT investments now valued at over US$ 700 million.

78. Notwithstanding the foregoing reasons for the current fragmentation of training facilities, programmes and approaches, the Inspectors see the feasibility of a more rational and cost-effective arrangement in at least three ways:

(*a*) Copy the JMS structural model (as appropriately modified) to establish a single centrally-managed training service for all Geneva-based organizations, but decentralize the actual operation or delivery of training programmes to several locations or organizations;

(*b*) Share out among participating organizations focal point responsibilities for the design and coordination of different training programmes as follows, for example:

- UNOG/TES for language and communication skills, with a single proficiency examinations standard;
- ITU/WIPO for IT training;
- ILO/WHO for management and related training functions;
- Specialized job training functions will remain specific to and organized by each organization;

(*c*) Make greater use of standardized IT systems to generalize on-line training and opportunities irrespective of type or content of training programmes;

(*d*) Establish a Training Advisory Board for all Geneva-based organizations and entities.

D. Budget and staffing trends

79. The budget and staffing trends of TES which are shown in table 6, appear insignificant in relation to the aggregate budgetary and human resources of Geneva-based UN programmes statutorily served by TES. However, TES is also partly covered by the centralized UN training budget administered by OHRM at Headquarters for IT training and upgrading of substantive skills. In view of the fact that the relative amount of resources devoted to staff training is practically the same in other organizations, there is a strong case for more rational and centralized use of such resources.

TABLE 6

Year	Thousands of US dollars			Staff					
	RB	XB	Total	Professional		General Service		Total	
				RB	XB	RB	XB	RB	XB
1980/1981	1 143.0	220.0	1 363.0	3	1	4	2	7	3
1986/1987	1 232.6	64.2	1 296.8	3	-	4	1	7	1
1990/1991	3 037.3	-	3 037.3	3	-	4	-	7	-
1996/1997	4 282.6	403.8	4 686.4	3	-	3	-	6	-

E. Financing

80. TES is financed mainly from the UN regular budget, 99 per cent of which is devoted to staff costs and 1 per cent to equipment and training materials. Cost-sharing contributions from the agencies cover consultant contracts and overheads. The cost-sharing formula applied by TES was apparently established by UN Headquarters based on the market situation in New York in the 1970s. By this formula which is considered arbitrary and inappropriate, TES charges Sw F 515 per student per 52-hour training course. It would be in order to revise this formula to reflect the real costs of training (as now done by ICC in recovering the full costs of its services) and to generate funds for reinvestment in TES.

F. Management and accountability

81. TES is managed by UNOG as one of the three sections of the UNOG Personnel Service. Information Technology training by TES is overseen by the Training Subcommittee of the UNOG Technology Innovations Committee which includes representatives from all user UN entities. The Committee meets regularly several times a year and all its recommendations are apparently implemented. The Committee has authority over the use of the IT training budget but no influence on staffing.

82. Other training programmes (language, management and specialized training) have no similar mechanism other than the CCAQ Subcommittee on Staff Training which also meets regularly as a forum for inter-agency cooperation and exchange of information. TES reports that discounts on the purchase of training materials are achieved thanks to the Subcommittee. The Inspectors believe it can do more than achieving discounts by working to develop more enhanced inter-secretariat synergies in the provision of different types of staff training, for example as proposed above.

83. TES conducts internal performance reviews of staff trained as well as evaluations of each course. The last external evaluation of TES was conducted in 1992 by the Internal Audit Group. Accountability is discharged mainly through the UNOG management hierarchy.

G. Quality and efficiency

84. TES rates the quality of services to be quite high based on training evaluation forms completed by trainees after each course and other feedback from staff. TES also reports that user satisfaction is high and that most complaints relate to the length of training available, which is the responsibility of management and not of TES. However, considering the very modest budgetary allocations to TES, its assessment of the quality and efficiency of its services appears somewhat overdrawn. Only independent audits and comparisons with other providers of similar services will yield a more objective picture.

H. Technological Innovations

85. Information technology has been the main innovation in this area in the past decade but its utilization for on-line training purposes is patently inadequate and therefore needs to be more systematic for the different training programmes (especially in the application of IT resources by end-users) and for the different staff categories (GS, professionals and managers).

I. Constraints

86. TES currently faces two main constraints. The first, which is internal, is the relatively modest budget compared to the existing and potential demands on its services. Related to this is its present subjective standard rate for costing services to non-UN users. The other constraint, which is external, is the fragmentation of training facilities and programmes at the Geneva duty station. This situation constrains the achievement of economies of scale and more rational deployment of the limited training resources of Geneva-based organizations.

J. Lessons

87. The fact that the terms of reference of TES as originally established by the Secretary-General limit the accessibility to its services to UN secretariat staff at Geneva, except for language training, suggests that it will be necessary to review the mandates (where applicable) of some UNOG services to remove any limits on their possible evolution into fully-fledged common services for the Geneva international community.

88. By the same token, and to ensure the consistent efficiency and financial viability if not autonomy of such services, service rates should not be established arbitrarily for whatever reason but should reflect the real direct and indirect costs of the services in question, based on a rigorous calculation of unit costs in agreement with user organizations and entities. This measure would in turn facilitate cost accounting cost-management and transparent billing for services.

K. Development potential

89. Removing the existing statutory and resource constraints on TES, increasing its operational and budgetary autonomy, and reorganizing of training facilities and programmes at Geneva as proposed earlier should enable TES to realize its potential more fully as a broadly shared service at Geneva.

L. Strengthening measures (see recommendation 3)

V. DIPLOMATIC POUCH SERVICE

A. Mandate

90. The UNOG pouch was established in August 1948. It became a common service in September 1949 by exchange of letters with WHO which was the first agency to use it. Since then it has been a tradition to operate DPS as a common service, through a UNOG-contracted forwarding agent, selected on the basis of international competitive bidding.

91. The basic mandate was established in A1/32, SGB/82, SGB/82 Rev. 1, of 9 August 1949, A/Conf.25/12, of 23 April 1963, and has not changed throughout the years. However, the pouch is being used increasingly for the shipment of heavy equipment, necessary for peacekeeping or humanitarian missions. These new functions had not been originally foreseen.

B. Coverage

92. DPS caters principally to the needs of Geneva-based organizations. In recent years, however, Geneva has increasingly become a trans-shipment platform for other locations as well. The DPS network has grown from 53 regularly served destinations in 1981, to 91 in 1991 and 100 in 1999. It regularly serves, on average, 65 UN secretariat offices, UN entities and specialized agencies. To this should be added 80 UNDP field offices.

93. The following destinations (at which Regional Offices of WHO are located) are covered through a separate WHO pouch service: Alexandria, Brazzaville (until 1998), Copenhagen, Manila, New Delhi and Washington.

C. Structure

94. One of the oldest and most widely used common services at Geneva, DPS is nevertheless a relatively small outfit consisting of only seven GS staff. It is located in the Registry, Records and Mail Section of UNOG while at Headquarters the Pouch Unit is lodged in Building Management Service. Between the UNOG Director of Administration and the Pouch Service there are 6 grade levels and 4 supervisory layers. Yet, this rather invisible and even nondescript organizational identity has not prevented DPS from becoming over the years a major UN system integrator at the Geneva duty station. It is worth mentioning that, in terms of its structural invisibility, DPS is similar to many other common service drivers at UNOG, as observed in Part I of this report.

D. Budget and staffing trends

95. Table 7 shows the Pouch budget and staffing trends over the past two decades. All posts are financed from the regular budget except one G-4 post financed from extrabudgetary resources. It needs to be observed that the Pouch generates every year revenue amounting to almost twice its annual budget. UN Headquarters' budget for mail and pouch operations in the 1998-1999 biennium amounted to just over US$ 4 million, or four times the budget for the UNOG Pouch during the same biennium. Table 7 also shows that the DPS staffing level has remained the same since 1990 while workload increased appreciably during the same period.

TABLE 7

Years	Budget (thousands of US$)	Staff			Workload indicators			
	Total	Prof.	GS	Total	No. entities served*	Outgoing pouches (Years/tons)		Destinations served
1980/ 1981	not available	-	5	5	27	1980	231	53
						1981	256	
						1980/1981	**487**	
1990/ 1991	not available	-	6 + 1	7	37	1990	267	91
						1991	268	
						1990/1991	**535**	
1996/ 1997	1 100	-	6 + 1	7	54	1996	311	96
						1997	376	
						1996/1997	**687**	
1998/ 1999	1 100	-	6 + 1	7	65	1998	387	100
						1999	397	
						1998/1999	**784**	

* Not including UNDP field offices which are known to number 80 in 1998/1999.

E. Financing

96. DPS is financed mainly from the UN regular budget, but UN entities, such as UNHCR, OCHA, UNCC, etc., which are fully or partially financed from extra budgetary funds, are charged their share of pouch unit staff costs (in addition to freight cost) based on the relative weight of their pouch shipments. The UN agencies and offices are charged an administrative overhead of 13 per cent. They are identified in table 8 below:

TABLE 8

ECA	ESCWA	FAO	FICSA
IAEA	ILO	IOM	ITU
WTO	UNESCO	UNIDO	HABITAT
WFP	WIPO	WMO	

97. WHO is charged no administrative overhead as UNOG uses WHO's pouch service without overhead charges, on a basis of reciprocity. With respect to volumes shipped and freight costs, table 9 shows the figures for the period July 1993-December 1999, as paid to the forwarding agent:

TABLE 9

Period	Sw F Forwarding Agent (1)	KG (1)	Sw F per KG
July-Dec. 1993 (6 months)	883 222.00	149 668.0	5.90
1994	1 553 097.00	307 781.0	5.05
1995	1 371 983.00	315 071.4	4.35
1996	1 404 216.00	321 466.0	4.37
1997	1 425 730.00	330 897.3	4.31
1998	1 449 622.00	342 917.8	4.23
1999	1 430 280.87	380 888.2	3.76

F. Management and accountability

98. DPS is managed as an integral part of the UNOG Administration. No user oversight committee exists or was foreseen under the original terms of reference or has been established since. However, there are informal ad-hoc meetings with users as may be necessary.

99. As explained by the manager of DPS, performance is very tightly monitored by monthly statistics on workload and output, monitoring of transit time by destination, daily meetings between the Chief of the Section and the Chief of the Unit regarding routing carriers, regular exchange of correspondence with field stations and, in recent years, surveys of user satisfaction.

100. Communication is very fluid and every meeting with the users is an occasion to seek their feedback. Moreover, every year, two informal gatherings with Geneva-based users are organized, with the aim of improving working relations, mutual trust and the understanding of each party's requirements.

G. Quality and efficiency

101. DPS considers the quality of its performance to be satisfactory. In last year's survey on common services, carried out among internal "client" offices at Geneva, the Pouch Service was rated 4 on a scale of 5, i.e.: "very good". Some clients have also expressed their satisfaction in writing. There have been no complaints about the overall performance by any of the users. The only claims received involved, not the services provided, but mainly carriers' problems with regard to specific shipments delayed or gone astray. As a concrete illustration of the steady commitment of DPS to efficient and cost-effective operations, the unit cost per kilogram of its shipments has been reduced steadily from Sw F 5.90 in 1993 to Sw F 3.76 in 1999 (table 9).

H. Technological innovations

102. In the last ten years, the Pouch Service benefited from two main investments in technological innovation:

(*a*) The charge back system for billing purposes, established in 1990 (estimated cost: US$ 80,000);

(*b*) The MailOps 2000 System, which represents for the Pouch a share of approximately US$ 130,000, is presently being implemented to overcome the limitations of the charge-back system, rendered obsolete by the Year 2000 "bug".

MailOps is a common system to be used for regular outgoing mail, registered incoming mail and all Pouch operations. It is Internet-based and has three main objectives:

(i) "Client offices" charge back and tracing of individual items;

(ii) Accounting and tracing of shipments (both incoming and outgoing pouches) with the Forwarding Agent and direct links to airlines Web sites;

(iii) Reports and statistics, all kinds of which can be obtained from the system (accounts, volumes, destinations).

103. When completed, any authorized user (customers, client offices, senders and consignees of pouches, forwarding agents) will be able to access the system (Secured Internet Site) and, depending on access rights, query and/or input information.

I. Constraints

104. To a large extent, the significant growth in shipments and of workload over the past years has been absorbed through productivity improvements. However, the limits of capacity have now been reached, and more increases will require additional staff, to be recruited against administrative overhead funds and charged back to users. Unless such additional resources are added, the quality of the services rendered, and in particular the capability of tracking shipments and of carrying out more registration in the Summary of Enclosures of items shipped, will be affected. Also, as air traffic congestion worldwide is on the rise, it will be very difficult to further reduce the Pouch room-to-Pouch room transit time. The operational cost of the electronic transmission of data is gradually decreasing, so this should, in the long run, reduce the volume of shipment of hard copies of documentation by Pouch.

J. Lessons

105. A relatively small administrative outfit staffed with dedicated GS staff can efficiently and consistently deliver a major common service for all Geneva-based organizations. This observation, which also applies to the many similar services in UNOG (e.g. visa and laissez-passer; travel; Bern card and attestation units; printing, etc.), confirms in practical experience the proposition in figure 11 (page 28) of Part I of this report to rely heavily on GS staff and advanced technological applications for the operation of common services.

K. Development potential

106. In the past 20 years, the Pouch Unit's workload has increased by 55 per cent, going from 256,000 kg to 396,285 kg (exports), while the number of staff employed has remained almost constant. The network of destinations serviced directly from Geneva has increased by almost 100 per cent over the past 20 years, from 53 to 100. Efforts to further render the service more cost-effective continue, but it seems doubtful whether the "productivity gains" already realized can be sustained at the same rate in the future.

107. As recommended for JMS, the Pouch Service also has great potential to be realized if the United Nations (as service provider) and other organizations using this service at various duty stations can project a bold vision for global Pouch services. The Inspectors have not examined in detail any reasons why the Pouch Service cannot be developed into an international network integrating headquarters and other locations of the UN system. The present piecemeal arrangement whereby Pouch services at different duty stations seem to operate independently of each other could be improved to guarantee seamless services across organizations and duty stations worldwide. The possibility of strategic alliances with the diplomatic pouch services of Member States, on the one hand, and multinational express mail companies, on the other, could be explored not only to modernize the Pouch Service for the twenty-first century but also to reduce reliance by organizations on private mail services.

L. Strengthening measures

108. The overall degree of user satisfaction could be improved by training users on a more effective use of the pouch services, so that they can request with more precision the type of services they need. In this respect, the new MailOps 2000 System should facilitate a closer guidance of the customer as to the formulation of his Request for Dispatch. Moreover, the efficiency of the Service should be improved by better communication between sending and receiving offices, e.g. through a closer monitoring, at both ends, of the shortcomings on certain routes, in short through a global, interdependent network of pouch services linking all duty stations.

109. Additionally, DPS, like other UNOG-managed common services, should be enabled to "advertise" their services, usefulness and relevance to the organizations and staff they serve as part of a UNOG outreach strategy of communications with the users of its services. In this connection, perhaps the UNOG Division of Administration could be more appropriately rechristened Division of Common (or Shared) Administrative Services to emphasize the point that such services are either already being used or could be used by other Geneva-based organizations. This comment may also apply to the Division of Conference Services.

VI. JOINT PURCHASE SERVICE

A. Mandate

110. Established in the early 1950s, the Joint Purchase Service is one of the very few common services at Geneva with a legal instrument formalizing cooperation among the member organizations.

111. As specified in its statutes, the purpose of JPS is to enable the member organizations to pool the results of their experience and research, and to coordinate their supply and purchase operations with a view to:

(*a*) Broadening the field of market prospection in order to discover new sources of supply and thus obtain better prices;

(*b*) Promoting the standardization of equipment, stationery, etc.;

(*c*) Reducing the time spent on such matters in each organization by assigning to a single body certain tasks at present carried out by each organization separately;

(*d*) Obtaining lower prices from suppliers, especially by bulk ordering for various organizations as a whole;

(*e*) Cutting down the operating costs of the various services by centralizing market prospection, publicity, sampling and correspondence.

112. There have been only minor changes to the statutes and rules of procedure over the years. The changes concerned the frequency of bidding actions, work plans and the membership of the service. At its meeting on 16 December 1999, the JPS Management Board decided to establish a Working Group to draft revised Statutes and Rules of Procedure to be considered by the Board in May 2000. However, the Board made no mention of those provisions in the existing statutes which required changes.

B. Coverage

113. Membership of JPS comprises only Geneva-based organizations: UNOG and related UN entities and the specialized agencies. However, in June 1999, ILO notified JPS of its intent to withdraw from the service effective 16 December 1999, because of its "budgetary restrictions". Yet, ILO's annual contributions to the operating costs of the JPS secretariat were below US$ 20,000, a totally insignificant proportion of its budget. It is the view of the Inspectors that for reasons outlined in paragraph 15 above, and in order to foster common system discipline, ILO should rejoin JPS.

C. Structure

114. In accordance with article 16 of its statutes, the JPS secretariat is provided by the "Purchase, Transportation and Internal Services Section of the United Nations Office at Geneva". This Section, which consists of 5 professional and 50 GS staff, is supervised by a P-5 chief of section. A P-4 deputy chief in charge of the Procurement Unit in the section is also the secretary of JPS.

115. However, the JPS secretariat itself, serviced on a day-to-day basis by a G-4 staff member (out of 50 in the section), does not appear in the organizational chart for the section as shown on page 579 of the UN Proposed Programme Budget for the biennium 1998-1999 (volume II).

D. Budget and staffing trends

116. According to information provided to the Inspectors by the JPS secretariat, it had been decided in the mid-1980s that the administrative cost of the JPS secretariat would be equivalent to the cost of eighteen work months at G-4 level, plus a lump sum of US$ 4,098.35 for miscellaneous office expenses. By this formula, the 1996 budget for the JPS secretariat amounted to US$160,932. Since 1997, however, the budget has been reduced for various reasons to US$ 85,425, almost by 50 per cent. These reductions were entirely arbitrary.

117. Considering the central role that article 17 of the JPS statutes assigns to the secretariat, it is difficult to ascertain how that role can be performed efficiently and effectively with such a modest budget and staff allocation for the JPS secretariat. It may be further observed that the P-4 head of the UNOG Procurement Unit, who also serves as JPS Secretary, performs primarily UNOG procurement functions not covered by JPS, and is fully on the UNOG payroll, thereby implying that his services to JPS, which are not costed and reflected in the JPS budget, must be very limited indeed. That leaves JPS without the substantive, entrepreneurial and sustained leadership required to galvanize common procurement initiatives at the Geneva duty station.

E. Financing

118. As stipulated in article 18, JPS member organizations administer their own funds and therefore purchases made on their behalf are charged directly to their budget. The costs of the secretariat are apportioned to member organizations on the basis of their relative staff resources - and not on the basis of services actually performed for them by JPS. This cost-allocation formula needs to be changed using the more transparent formulas applied by ICC or JMS. It is evident that UNOG whose current share of JPS secretariat costs is 40 per cent, in addition to absorbing the costs of its professional and infrastructural support for JPS, is subsidizing this common service to a significant degree, precisely because the real direct and indirect costs of the service are hidden - or have not been analysed. Such an analysis would be in order.

F. Management and accountability

119. JPS is overseen by (in fact, actually reduced to) a Management Board consisting of representatives of the member organizations. Statutorily it meets once a year but this does not appear to be so in practice. Its functions, as provided under article 6 of the JPS statutes, are mainly procedural rather than substantive. For example, the important issue of harmonization of procurement policies, rules and procedures is not mentioned. Nor is the possibility envisioned of establishing a single procurement entity (like ICC or IAPSO) at Geneva, or allocating responsibilities for central procurement by product groups among the organizations. Overall, the Board has to date not proved to be an effective and useful mechanism for stimulating inter-secretariat cooperation in procurement matters as further discussed later.

120. The Management Board is assisted by a Technical Committee responsible, by the terms of JPS statutes, for technical and administrative studies; exchange of information on standardization; establishment of annual purchase programmes; instructions to the secretariat for obtaining quotations; public examination of tenders; and choice of suppliers.

121. The very limited JPS secretariat resources may not be adequate to provide efficient and effective support both to the Management Board and Technical Committee. Besides this consideration, JPS members may wish to weigh the pros and cons of merging the Technical Committee with the Management Board so that Technical Committee members serve as advisers to Board members. Such a merger would result in less cumbersome procedures and more rapid implementation of Board decisions.

122. Performance monitoring and reporting by the JPS secretariat is currently confined to its annual activity reports to the Board to which it is accountable.

G. Quality and efficiency

123. According to its secretariat, JPS has no formal rating system for tracking quality performance or efficiency, although the statutes provide for a yearly timetable for completing the bidding programme. Meetings of the supervisory bodies are the only mechanisms used to obtain feedback on user satisfaction with services rendered. JPS has informed the Inspectors that comments made during committee and Board meetings have always been complimentary to the secretariat.

124. However, there has to date not been a formal, independent evaluation of JPS to establish its objective usefulness as a common purchase service for Geneva-based organizations. So far, the service has been limited by its members to low-value purchases, excluding more important items like information technologies or service contracts. Used more for joint publicity or advertising of requirements than for joint purchasing of standardized items, JPS appears only marginally effective and useful as a common endeavour expected to generate economies of scale.

125. Furthermore, JPS has to contend with two major factors. Firstly, some of its member organizations (UNOG or WHO) are large enough to command volume discounts on their purchases independently of JPS. Secondly, the continuing relevance of JPS will be tested by the logically increasing application of information technology to procurement operations within the UN system, especially the work being done in this respect by the Inter-Agency Procurement Working Group which established a UN Common Supplier Database in May 1998. Some members of JPS (UNOG, ITC) and ILO have since joined this common arrangement piloted by IAPSO.

126. Nevertheless, enhancing the usefulness and relevance of JPS has been a regular item on the agendas of its Board meetings in the past few years. In 1997, for example, the Secretary of JPS made a number of useful proposals for strengthening both the JPS secretariat and the role of the service as a more effective procurement focal point for its member organizations.

H. Technological innovations

127. Information technology resources acquired in the recent past by the Purchase and Transportation Section for support of UNOG's own procurement needs also benefited the JPS secretariat and the service as a whole.

I. Constraints

128. The main constraints appear to be the limited resources available to JPS as a common service, and the apparent lack of high-level commitment of its members to inter-agency collaboration in procurement of high-value items. Further, the Procurement Officers representing their organizations on the JPS Management Board would face the dilemma of having to balance their commitment to JPS with the need to preserve their procurement responsibilities and functions within their organizations. Only the Governing Bodies can resolve this apparent conflict of interests.

J. Lessons

129. JPS, consisting mostly of the meetings of its ineffectual oversight bodies, provides a lesson in how not to set up a common service intended to take bold initiatives and produce results. Additionally, common services operated by UNOG for the Geneva international community need organizational visibility, high-level advocacy and some marketing of their value to the participating organizations. Furthermore, the costing and cost-allocation for such services should be rigorous and transparent to reflect real and subsidized costs where applicable.

K. Development potential

130. The realization of the full potential represented by JPS will depend on how effectively the recommendations set forth in Part I of the present report will be implemented by the Geneva-based organizations. Moreover, the political support of the Member States represented on the competent organs of the secretariats would be necessary to ensure that the depth and pace of common procurement reforms now under way at UN Headquarters can be replicated at the Geneva duty station.

L. Strengthening measures (see recommendation 5)

VII. SYNTHESIS

A. General context

131. The case studies reveal important differences among the services, such as in the date and manner of their creation, statutory instruments, organizational structure and visibility, managerial and accountability systems and processes, and costing and cost-allocation formulas. The differences stem not so much from the unique character of each service entity as from the absence of a strategic plan and process to guide administrative cooperation and coordination among the Geneva-based organizations, as found in Part I of the report.

132. In that context, existing common services have resulted mainly from pragmatic arrangements dating back to the late 1940s and undertaken more often by the secretariats than by the governing bodies, except for ICC which was created pursuant to a General Assembly resolution. The common services reviewed in this volume were established between 1948 and 1971. Since then there have been hardly any further initiatives by the secretariats or governing bodies to push for the expansion of common services at the Geneva duty station in contrast to the Vienna duty station and more recently to United Nations Headquarters which have either consolidated such services or are in the process of doing so.

133. Yet the comprehensive inter-secretariat coverage of existing common services at Geneva and their long track record, despite some constraints, demonstrate the feasibility of further expanding cooperative arrangements for the delivery of many administrative support services now sourced internally by each organization. As noted in the case studies, however, the general trend at Geneva points to isolationist initiatives which weaken (rather than build) cooperative structures integrating the secretariats. It would thus be essential to secure the unreserved support of the executive heads and governing bodies of all the Geneva-based organizations as a prerequisite to the expanded development of shared administrative services at the Geneva duty station. Other key requirements to that end are listed below.

B. Electronic integration

134. Part I of this report already identified the integration of the organizations' IT systems as the desirable backbone of the new framework recommended for Geneva common services. All the services profiled in this second volume amply confirm that proposition, showing in particular the high degree of their dependence on IT systems and solutions for their operational efficiencies. Accordingly, it might prove exceedingly difficult to expand efficient sharing of support services at Geneva or elsewhere for that matter without seamless electronic networking of the organizations concerned.

135. In addition to the networking capabilities implemented since 1994 by ICC for its member organizations, two major initiatives sponsored by ITU in the past six years deserve mention. The first was a 1995 pilot project called the Metropolitan Area Network for Geneva (Geneva MAN), which was conceived as an "information superhighway" for the Geneva international community. The project basically aimed to provide a high-speed communication network for multimedia applications and working methods, including support for organization-to-organization (LAN-to-LAN) interconnections, integration of different networks, common strategies for access to international users and resources such as the Internet interconnection of telephone systems, use of videoconferencing, as well as computer-based training and distance learning. Although the project involved the participation of all the major organizations as well as some key public and private bodies at Geneva, it was not pursued beyond the end of its pilot phase in 1996, apparently because of the high costs the proposed system would have entailed for UN system organizations.

136. Current emphasis is on the Geneva Diplomatic Community Network (GDCnet) launched by ITU in 1998. Its main objective is to improve the capabilities of Geneva-based permanent missions of Member States for electronic information exchanges with home ministries and

enhanced access to the information resources of international organizations. However, GDCnet relies on ADSL technology which is relatively new and therefore still to be fully tested as a secure network. The driver of the project at the level of the Geneva Diplomatic Community is the Information Systems Users Group, which coordinates information exchange needs and advises on the harmonization of IT solutions. As such, ISUG would seem to be ideally placed to push for the electronic interconnection of Geneva-based organizations *inter se*, concomitantly with their improved electronic linkages with the permanent missions.

C. Management and accountability

137. The case studies also underscore the usefulness of managerial approaches which encourage regular communication between service providers on the one hand and organizational members and end-users on the other. This can be achieved in various ways: effective oversight or advisory bodies representative of users and able to decide on, or at least influence, service improvements; transparent and systematic cost-accounting; performance tracking and reporting; periodic user satisfaction surveys as well as "marketing" of services through newsletters, brochures or Web sites.

138. Furthermore, common service managers should ideally be experts in their respective functional areas and should have practical managerial or tactical skills. They should also be grounded in managerial and cost accounting principles. In short, common service managers might be best sourced from the private sector rather than from within the UN system. Equally important still, the heads of administration and management departments in the organizations should be fully involved in policy decisions on common services to secure uniform implementation of such decisions in the participating organizations. In this connection, six-monthly meetings of the heads of administration and management at the Geneva duty station would be desirable to review progress implementation of UN General Assembly resolution 54/255 of 4 May 2000.

D. Quality and efficiency standards

139. The managers and users of services need to agree upon (and periodically review) performance standards and expectations as may be specific to each service entity. It would be desirable, for example, to define quality parameters as well as acceptable measures of output per day or per unit cost against which performance can be judged. Some requirements for sustaining quality and efficiency include staff training and retraining, technological innovations, periodic service reviews or audits and benchmarking.

E. Costing, budgeting and financing

140. Also underlined in the case studies is the requirement for rigorous costing of services, some degree of budgetary autonomy - not unduly influenced by the internal budget policies of the provider or host organization - and cost-apportionment formulas agreed upon by service providers and users. While ICC and JMS provide in this regard examples to be emulated, the services managed or hosted by UNOG present some difficulties already noted in Part I of this report. Not only is the costing of services somewhat subjective and arbitrary (e.g. JPS and TES), but also their budgets and funding appear critically dependent on what UNOG can afford (and more widely on UN budget policy applicable to the Organization as a whole) rather than on how these services can be empowered to achieve their maximum potential as self-financed inter-agency operations.

141. Therefore, in reviewing UNOG services in the light of the new framework and plan of action recommended in Part I of the report for building Geneva common services over the next ten years, it would be desirable to highlight their actual or potential inter-agency dimension. One way to do this could be to change the names of the two main UNOG divisions into (1) Division of Common Administrative Services, and (2) Division of Common Conference Services. Another way would be to redesign the organization, staffing, budgeting and financing of the services in

ways that clearly promote (rather than restrict as at present) their autonomy for initiative and growth as well as their effective outreach to the broader UN system community at Geneva.

F. Global cooperative network of common services

142. As common services are consolidated or newly established at different Headquarters and field duty stations around the world, it would become feasible and desirable to institutionalize horizontal cooperation and coordination among similar services at different duty stations either through electronic exchanges or interconnections or following the model of annual meetings of the directors of UN system medical services. Such a cooperative, interdependent network would be expected to foster uniform operational standards and procedures, stimulate information exchanges on performance data, achievements and constraints and more generally enhance managerial efficiency based on best practices or benchmarks as may be periodically identified.

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Report of the Joint Inspection Unit on the delegation of authority for management of human and financial resources in the United Nations Secretariat

Note by the Secretary-General

The Secretary-General has the honour to transmit to the members of the General Assembly the report of the Joint Inspection Unit entitled "Delegation of authority for management of human and financial resources in the United Nations Secretariat" (JIU/REP/2000/6).

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DELEGATION OF AUTHORITY FOR THE MANAGEMENT OF HUMAN AND FINANCIAL RESOURCES IN THE UNITED NATIONS SECRETARIAT

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Geneva
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ACRONYMS

ACABQ	Advisory Committee on Administrative and Budgetary Questions
ACC	Administrative Committee on Coordination
CCAQ	Consultative Committee on Administrative Questions
CCISUA	Coordinating Committee for International Staff Unions and Associations of the United Nations system
DESA	Department of Economic and Social Affairs
DM	Department of Management
ECA	Economic Commission for Africa
ECLAC	Economic Commission for Latin America and the Caribbean
FAO	Food and Agriculture Organization of the United Nations
IMIS	Integrated Management Information System (United Nations)
OECD	Organisation for Economic Co-operation and Development
OHRM	Office of Human Resources Management (United Nations)
OIOS	Office of Internal Oversight Services (United Nations)
OLA	Office of Legal Affairs (United Nations)
OPPBA	Office of Programme Planning, Budget and Accounts
PAS	Performance Appraisal System
SGB	Secretary-General's Bulletin
ST/AI	Secretariat Administrative Instructions
UN	United Nations
UNCC	United Nations Compensation Commission
UNCCD	United Nations Secretariat of the Convention to Combat Desertification
UNCTAD	United Nations Conference on Trade and Development
UNDCP	United Nations Drug Control Programme
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change
UNFPA	United Nations Population Fund
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
UNJSPF	United Nations Joint Staff Pension Fund
UNOG	United Nations Office at Geneva
UNON	United Nations Office at Nairobi
UNOPS	United Nations Office for Project Services
UNOV	United Nations Office at Vienna
UNSCOM	United Nations Special Commission
WFP	World Food Programme

EXECUTIVE SUMMARY: OBJECTIVE, CONCLUSIONS AND RECOMMENDATIONS

Objective:	**To assess progress in the implementation of delegation of authority for the management of human and financial resources in the United Nations Secretariat and to develop criteria to be applied in the future, in particular with regard to the establishment of a framework of accountability.**

CONCLUSIONS

A. Delegation of authority is not a new reality in the United Nations. It has always been an integral part of the management and administration of some of the United Nations programmes and funds, and some measure of it has always existed in the Secretariat itself. However, a fast evolving environment is now causing the latter to review the very way it operates and to rethink its whole approach to management. The Secretary-General's proposal for additional delegation of authority to managers is at the core of his vision for reform. However, despite the mandate received by the Secretary-General from the General Assembly for administrative change and reform, the steps taken in the Secretariat over the last few years to delegate authority for the management of human and financial resources do not appear very significant, notwithstanding a number of noteworthy efforts to clarify administrative rules and to better prepare managers for the new tasks to be entrusted to them.

B. Overall, the Secretariat appeared to be engaging in the implementation of delegation of authority on an ad hoc basis and without a well-thought-out comprehensive strategy. In particular, measures to decentralize administrative tasks have been presented as delegation while, in fact, managers have in most cases not been given additional decision-making powers. There exists a level of dissatisfaction among substantive officials that what has been described as "delegation of authority" has amounted merely to a "dumping" of clerical tasks, without a concomitant shift of resources. At the same time, managers still lack effective guidance and support in managing the human and financial resources entrusted to them. As a result, a good deal of confusion, suspicion and discontent prevails among Member States, managers and other staff.

C. The Inspectors were concerned to note a high level of laxity and lack of clarity and transparency in respect of the formulation of administrative issuances and in the implementation of policies. It is imperative, in order to create a climate of administrative discipline and order, that basic documents, which in fact guide the functioning of the Secretariat, should be clear, unambiguous and current.

D. The functioning of delegation of authority and of a transparent and effective system of accountability involves more than revising regulations, rules and procedures. It requires the establishment within the Secretariat of a culture that recognizes that responsibility, authority and the obligation and readiness to answer for one's actions are interactive and inextricably linked. There is a need to change entrenched bureaucratic habits through leadership and training.

E. The authority delegated must be clearly defined, as in a contract, and may require a special letter or document - a delegation order - assigning formal authority and responsibilities to specific staff members.

F. The successful implementation of delegation of authority will depend on the efficiency of the support provided to individual managers either by administrative staff assigned under their supervision or by common services,

and the clear definition of the respective responsibilities and authority of the former and the latter. Those providing administrative services should not confuse their support role with that of decision-making, which is a function that should be exercised by the responsible substantive officials.

G. The central administrative units of the Secretariat (Department of Management, Office of Programme Planning, Budget and Accounts, Office of Human Resources Management) are mandated to retain overall responsibility for the policies which the General Assembly prescribes related to the management of financial and human resources. The exercise of this "central control" function requires the establishment of adequate "monitoring" capacities through which the central units may keep track of the implementation of policies and detect possible deficiencies, with a view to providing necessary guidance in a timely manner.

H. A system of delegation of authority should not exist without the establishment of a credible and comprehensive system of accountability and responsibility.*

I. The Inspectors noted the expression by the staff representatives of "dismay and concern over the inadequacy of staff-management consultations" and their request that further delegation of authority to programme managers be suspended until a transparent and verifiable system of accountability had been established.

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* At the time of completion of the present report, the Inspectors were provided with the report which the Secretary-General was presenting to the fifty-fifth session of the General Assembly (A/55/270) announcing concrete actions in this regard.

RECOMMENDATIONS

Recommendation 1: The Secretary-General should present to the General Assembly a comprehensive overall plan of action for delegation of authority based on a systematically developed concept rather than on an ad hoc approach. Such a concept should, as a first step, define which areas of responsibility require that authority be retained centrally (such as major policy orientation, monitoring and oversight) and those where authority can be delegated in the interest of a more efficient management system. As detailed in chapter V.A, such a plan of action should, inter alia, contain the elements spelled out in recommendations 2-11 below:

Clarity in the formulation of policies and procedures

Recommendation 2: The Secretary-General should take steps to ensure strict compliance with the procedures for the promulgation of administrative issuances (ST/SGB/1997/1 and 2) so as to ensure not only clarity in the formulation of procedures and instructions, but also avoidance of contradictions between administrative issuances. Issues of a binding administrative nature should be promulgated exclusively through the prescribed means, namely, Secretary-General's Bulletins (SGB) or Secretariat Administrative Instructions (ST/AI). Modifications to or cancellation of administrative issuances should only be promulgated by another administrative issuance of the same or higher rank, as amendments or revisions of the original document (paras. 55-61).

Updating delegation regarding administration of Staff Regulations and Rules

Recommendation 3: The Secretary-General should review the provisions of Secretary-General's Bulletin ST/SGB/151, of 7 January 1976, related to the administration of the Staff Regulations and Rules, updating it as required to reflect the current situation. Pursuant thereto, the Secretariat should promulgate one comprehensive Administrative Instruction on the delegation of authority for the administration of the Staff Regulations and Rules, so as to reflect the current situation in clear terms (paras. 57-61).

Promulgation of revised Financial Regulations and Rules

Recommendation 4: The Secretary-General should be requested as a matter of urgency to promulgate a revised version of the Financial Regulations and Rules so as to incorporate pertinent revisions to the Regulations approved by the General Assembly and to update the Rules as may be required. In this context, the Secretary-General should review other issuances that might contain provisions which are contrary to the Financial Rules, so as to ensure overall consistency. For the future, should it be required to amend a particular rule, it should be done by means of an amendment or revision of the document containing the basic text of the Regulations and Rules (paras. 62-68).

Establishing a culture of clarity, transparency and communication

Recommendation 5: The Secretary-General should be encouraged to take additional steps towards the establishment throughout the Secretariat of a "culture" of clarity, transparency and communication, taking into account the considerations described in chapter V.B of this report (paras. 69-70).

Promulgation of individual delegation orders

Recommendation 6: In addition to the general delegation that may be included in the Staff Rules, the Financial Rules or the Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation, or in Secretary-General's Bulletins related to the organization of the Secretariat, the Secretary-General should institute the requirements that the delegation of authority to individuals should be clearly defined in individual delegation orders (contracts, letters or documents) which, as a minimum, should include the following:

(*a*) Citation of the original source of authority;

(*b*) Description of the authority to be delegated with clear and consistent objectives;

(*c*) Any limitation imposed, including any limitation on sub-delegation;

(*d*) Citation of any previous delegations which are to be revised or rescinded, if appropriate;

(*e*) The date on which the delegation is to become effective and the duration of the delegation;

(*f*) The details of the reporting duties which go together with the delegation, so as to permit proper monitoring (volume, frequency of reporting and other details, particularly in the relation between field offices and Headquarters) (paras. 75-77).

Empowerment of managers

Recommendation 7: In addition to the general training available to the Secretariat as a whole, managers to whom authority is to be delegated should be provided with specialized training and briefings, and with adequate support services whether under their direct supervision or through "common" services, in locations where more than one substantive unit exists. Furthermore, the Secretary-General should direct the central administrative services, i.e. OHRM and OPPBA, to guarantee to managers, upon their request, the availability of additional guidance as to the correct implementation and interpretation of financial, staff and programme planning regulations, rules and administrative instructions, so as to reinforce managerial competencies and accountability (paras. 78-79).

Access to information

Recommendation 8: The Secretary-General should undertake all efforts to optimize the functioning of Integrated Management Information System (IMIS) and the Intranet both at Headquarters and in the field, so as to ensure constant and immediate access by managers to relevant information for the proper implementation of delegated authority (para. 81).

Monitoring

Recommendation 9: The Secretary-General should ensure that the central administrative units retain an ongoing monitoring capacity through which they may gauge progress and detect possible deficiencies in the exercise by managers of delegated authority. To this end, it is essential

to develop adequate information technologies and systems as well as cooperation with pertinent oversight mechanisms (paras. 82-84).

Measuring of performance, and establishing of a system of accountability

Recommendation 10: The Secretary-General's efforts to develop a comprehensive system of accountability - without which further delegation of authority in the financial and human resources areas cannot proceed - should be based on the following principles:

- The provision to managers of all the necessary support, information and guidance for the functions which they are to perform, including those relevant to their relations with subordinates and for the resolution of possible disagreements;
- The existence of adequate mechanisms for the evaluation of the performance of officials to whom authority is delegated and the strengthening of enforcement mechanisms to deal with cases of failure;
- Performance indicators should be accompanied by measures to ensure that unsatisfactory achievements and non-compliance with work programmes or the Organization's policies, regulations and rules are taken into account in evaluating managers, shaping their careers and deciding on the level of authority that can be delegated to them (paras. 85-91).

Consultations with staff representatives

Recommendation 11: The Secretary-General should ensure that, to the greatest extent possible, the staff's views and suggestions are considered, and that full and meaningful consultations with staff representatives are undertaken in the context of the improved system of communication within the Secretariat (para. 92).

I. INTRODUCTION

1. Recent years have witnessed a marked trend in public administrations towards the creation of a more trusting and less restrictive management style through greater delegation of authority to line managers at headquarters and in the field. The primary objective is to foster a more efficient use of resources and to facilitate the emergence of more agile and responsive organizations. Many organizations of the United Nations system have attempted, to varying degrees, to devise and implement measures to this effect while retaining the necessary level of central coordination and control and strengthening their monitoring of individual and programmatic performances. Reaching this balance has proved particularly difficult in entities long characterized by centralized command.

2. The Joint Inspection Unit included the report on delegation of authority in its work programme in view of the Secretary-General's repeated declarations that delegation of authority would play a major role in the reform of the United Nations. Furthermore, the Unit took into consideration the fact that Member States have also expressed their heightened interest in the subject through the resolutions passed in recent years by the General Assembly and through discussions held in other bodies such as the Committee for Programme and Coordination (the Unit has also been requested by the United Nations Industrial Development Organization (UNIDO) to undertake a similar study with regard to that organization).

3. The report examines the efforts undertaken by the Secretariat of the United Nations in the last three years to delegate authority to managers, placing these efforts in a wider historical perspective. It then carries out a preliminary assessment of their effectiveness and coherence. In this context, some examples of good practices in various entities of the system, which have come to the attention of the Inspectors, are highlighted in the report. Finally, the report draws from this analysis a number of lessons, which should be taken into account in future cases of delegation of authority. It is intended to provide Member States and Secretariat officials alike with a useful tool to reflect on progress achieved in this important managerial field and to plan further reform of the Organization.

4. Prior to the finalization of this report, the Inspectors were provided with advance versions of the Secretary-General´s reports to be submitted to the General Assembly at its fifty-fifth session, on "Human resources management reform" (A/55/253) and on "Accountability and responsibility" (A/55/270). The Inspectors observed that a large measure of coincidence existed between the recommendations contained in the present report and the measures announced in the cited reports, although all aspects of them were not yet fully in place. The Inspectors trust that the accountability mechanisms described in the Secretary-General´s report will be duly implemented and also that the observations and recommendations contained in this report will be taken into consideration.

5. In the context of this report, the Inspectors have been cautious to differentiate between the concepts of **delegation of authority** and **decentralization.** In their view, the first means the delegation of decision-making powers while the latter is merely the distribution of administrative responsibilities among the units of the Secretariat.

6. To prepare this report, the Inspectors interviewed numerous officials in the United Nations Secretariat as well as in a number of funds and programmes, and reviewed relevant documents issued by legislative organs and the Secretariat. They wish to extend their appreciation to all those who assisted them in this exercise.

II. DELEGATION OF AUTHORITY: A HISTORICAL PERSPECTIVE

7. While the question of increased delegation of authority within the United Nations has attracted significant attention in recent years and generated intensive debate, it should be stressed at the outset that delegation of authority is neither an entirely innovative concept nor a new reality. It has always reflected the necessity, in a very large organization, to transfer part of the decision-making burden onto managers and to avoid an administrative paralysis through the concentration of authority in the hands of the chief executive officer or at a single geographical location.

8. In fact, the very process of delegation at the United Nations begins with the Charter, through which Member States have delegated authority to the Secretary-General as the Chief Administrative Officer of the Organization (Article 97). This authority is tempered by the Charter provision in Article 101 that the staff of the Secretariat is to be appointed by the Secretary-General under regulations established by the General Assembly, and by the authority also granted to the latter in Articles 10 and 17 related to budgetary and other matters.

9. In general terms, **administrative** authority, i.e. authority for the management of human and financial resources, within the Secretariat is delegated by the Secretary-General, in the form of Secretary General's Bulletins to the Under-Secretary-General for Management, to the Assistant Secretaries-General for Programme Planning, Budget and Accounts (the Controller), for Human Resources Management and for Central Support Services. These officials may, in turn, delegate some of their authority to others within the Secretariat. **Substantive** authority, that is, authority for the implementation of the substantive activities of the Secretariat, is also defined in the form of Secretary-General's Bulletins, which describe both the organization and structure of the Secretariat, as well as the substantive activities for which each organizational unit is responsible.

10. A certain measure of delegation of administrative authority to individuals or programmes has always existed in the United Nations Secretariat. In particular, delegation to "clone operations", i.e. extension of authority to administrative entities away from Headquarters, but under the direct authority of the pertinent Department of Management office at Headquarters, has been put in place over the past decades and progressively refined and enlarged. Thus, the United Nations Office at Geneva (UNOG), the five regional commissions, the United Nations Office at Vienna (UNOV), and more recently the United Nations Office at Nairobi (UNON) have been granted various degrees of administrative authority in respect of both financial (including procurement) and human resources matters. This has been the case also with peace-keeping operations and special missions, as well as with technical cooperation projects for which delegation to varying degrees of administrative authority has been given to "executing agencies" such as the Department of Economic and Social Affairs (DESA), the United Nations Conference on Trade and Development (UNCTAD), the regional commissions, the Office of the High Commissioner for Human Rights and the United Nations Drug Control Programme (UNDCP) for the management of their human and financial resources.

11. In addition to the limited delegation of authority which existed in the early years of the Organization, particularly to offices and/or missions away from Headquarters, the Secretary-General reported to the General Assembly in 1974 (A/C.5/1601), that he had endorsed a recommendation of the Administrative Management Service that there should be greater delegation of authority and responsibility to departments and offices at Headquarters and to other established offices in selected areas of personnel management in order to achieve a greater decentralization of responsibilities for personnel management.

12. At its 2324th meeting, on 18 December 1974, the General Assembly, on the recommendation of the Fifth Committee, authorized the Secretary-General to proceed with his proposal, "subject to the comments of the

ACABQ, which concurred with the Secretary-General's approach on the understanding that it would not weaken overall central control".[1] The Secretary-General accordingly, promulgated, in bulletin ST/SGB/151, of 7 January 1976, certain principles according to which authority to take decisions under the Staff Regulations and Staff Rules would be delegated to other officials of the Organization. Detailed statements of the authority required to take decisions under each Staff Rule were subsequently issued in an administrative instruction (ST/AI/234), which has been the object of later revisions and amendments. As far as the Inspectors have been able to ascertain, the current valid versions are ST/AI/234/Rev.1, ST/AI/234/Rev.1/Amend.1, as amended by ST/AI/1999/1.

13. These documents, however, do not necessarily reflect the full present situation, since delegation of authority is also contained in other documents. Some of these, such as ST/AI/388 on UNDCP and ST/AI/401 on the Office of Internal Oversight Services (OIOS), are generally available. Others, such as the delegation to DESA and UNCTAD for the administration of the 200 series of the Staff Rules, and to the Department of Peace-keeping Operations in respect both of certain functions under the 100 series and all of the 300 series of the Staff Rules, are of more limited distribution, as evidenced by the Secretary General's note to the General Assembly (A/54/257).

14. The financial administration of the Organization is governed by Financial Regulations approved by the General Assembly, pursuant to which the Secretary-General promulgates Financial Rules. The overall responsibility for the policies with respect to the financial operations of the Organization is vested in the Controller, who is also responsible for the designation of the financial officers responsible for performing significant financial duties (Rule 111.1). The Financial Rules also reflect the respective responsibilities of the Under-Secretary-General for Management, the Controller, the Assistant Secretary-General for Human Resources Management and the Assistant Secretary-General for General Services in the administration of the Rules. In addition, they define the responsibilities of heads of departments or offices with regard, for instance, to the submission of programme budget proposals, and those of certifying and approving officers who exercise their functions under authority delegated to them by the Controller.

15. In general, the executive heads of United Nations funds and programmes have been granted the authority to appoint and administer their staff and manage their financial resources. They have, in turn, delegated authority to managers, often to a much larger extent than has been done in the Secretariat. It is particularly true of organizations such as the United Nations Development Programme (UNDP), the United Nations Children's Fund (UNICEF), the World Food Programme (WFP) and the United Nations High Commissioner for Refugees (UNHCR), which have extensive field operations and need to respond promptly to emergencies.

16. WFP, in particular, underwent in the 1990s an active process of decentralization and delegation of authority from headquarters to the field offices, with the creation of nine regional offices (clusters). The decentralization was accompanied by greater outposting of technical support staff in such areas as personnel, finance, public information, procurement and project/programme design. Country directors have been given the authority to approve programme activities and projects within the country programme as set by the Executive Board. As an example of this new authority, they may now approve emergency operations up to US$ 200,000 to cover the costs of food, transport, and non-food items for new emergency situations. New, decentralized human resources management responsibilities were also developed, which significantly increased the authority of field offices to design their staff profiles and select their non-core project staff and short-term personnel as well as consultants.[2]

17. UNHCR has also carried out, since 1995, a comprehensive project for the establishment of a new Operations Management System, which involves a great measure of delegation of authority, in the management of both financial and human resources, to managers at all levels in the field and at headquarters. Thus, offices outside headquarters have been delegated the full

administration and management of locally recruited staff, while many of them have also taken over responsibility for their own account processing and for retaining the supporting documentation. The head of each country office now receives one or several "Letters of Instructions" that also define the parameters of budgetary flexibility. Managers at headquarters and in the field now sign "Covenants" and "Accountability Agreements" with the Division of Resource Management outlining the scope and content of the authority delegated to them in the field of human resources or accounts processing, as well as their ensuing responsibilities.

18. UNICEF, for its part, has delegated authority for the approval and review of country programmes and budgets for country offices to its regional offices. Newly established programme and budget review committees approve, at the regional level, and within the overall resource envelope. the country programme management plan, including the country support budget, and submit it to headquarters for consolidation purposes only. [3]

III. REFORM OF THE SECRETARIAT AND DELEGATION OF AUTHORITY: STEPS TAKEN IN RECENT YEARS

19. While delegation of authority is already an integral part of the management and administration of the United Nations Secretariat and its programmes and funds, the novelty resides in the Secretary-General's proposal for additional delegation of authority as an essential element of the Secretariat's reform and of efforts to improve its performance and the efficient use of its resources. In his report on the reform of the United Nations, the Secretary-General noted that too often, the delivery of mandated programmes was hampered by excessive bureaucratic procedures and rules, with responsibility for management of resources in the hands of administrators who had no accountability for programme delivery.[4]

20. It is indeed true that, too often, personnel or finance services away from Headquarters complete and review part or the totality of a given routine administrative process, only to have this very same process reviewed and checked again at Headquarters before any action can be taken. This results in a duplication of administrative tasks and a waste of scarce resources. To remedy this weakness of the Organization, the Secretary-General undertook to take steps to delegate maximum authority, responsibility and full accountability to line managers for the management of human and financial resources.[5]

21. The Secretary-General elaborated further on these notions in his subsequent report on human resources management reform, drawing extensively on the suggestions and recommendations presented to him by a Task Force on Human Resources Management , which he constituted in January 1998. In this report, the Secretary-General described a new management culture, which would "empower managers to administer the full range of resources at their disposal", including staff, along with managing programmes, financial resources, information and change.[6] Programme and line managers, he stated, would have increased authority and responsibility for human resources management within clearly defined policies. They would be expected to communicate a clear sense of purpose and direction to their staff, to motivate them, build team spirit and trust, and to manage performance in order to achieve results. The Secretary-General again made his point forcefully when addressing the Fifth Committee at the 54th session of the General Assembly, stating that "managers must be able to manage".[7]

22. From the above, it is clear that the proposal to increase delegation of authority for the management of human and financial resources is motivated by a clear purpose, namely, to ensure a more rational and better use of the resources approved for the delivery of mandated programmes and activities, thus improving the quality and quantity of expected outputs.

23. What is advocated by the Secretary-General, therefore, is no longer the delegation of authority to managers for the sake of expediency that has always existed for a number of administrative procedures. Rather, it is a

complete change in mentalities and in the very concepts underlying the management of the Secretariat of the United Nations.

24. Member States gave a cautious initial welcome to this initiative. The General Assembly, in paragraph 6, section II, of resolution 51/226 of 25 April 1997 on human resources management, welcomed the intention of the Secretary-General to streamline administrative procedures and eliminate duplication, in relation to human resources management, through delegation of authority to programme managers. It requested him, however, "to ensure, before delegating such authority, that well-designed mechanisms of accountability, including the necessary internal monitoring and control procedures, as well as training, were put in place".

25. Generally, Member States have, since the issue was first brought to their attention, stressed the need for central control and have warned again and again that meaningful delegation cannot take place unless there is confidence that managers will be held to account. In fact, their interest in the issue of the establishment of a transparent and effective system of accountability and responsibility, formulated in General Assembly resolution 48/218 A, of 23 December 1993, which endorsed recommendations of the Committee for Programme and Coordination, preceded the Secretary-General's reform proposals.

26. Despite the far-reaching nature of the changes announced in the Secretary-General's report on reform (A/51/950), the measures actually taken in the Secretariat to put in place a new culture of management, characterized by increased delegation of authority and full accountability, do not yet appear very significant. The most prominent, or at least the most frequently quoted, were those contained in a 17 November 1998 memorandum from the Under-Secretary-General for Management to all heads of departments and offices, listing a number of measures characterized as "quick wins" in human resources management reform to be implemented as of 1 December 1998. Some of these "quick wins" were subsequently incorporated in instruction ST/AI/1999/1 with an effective date of 1 February 1999.

27. The issues outlined in the administrative instruction, for which individual departments or offices at Headquarters or away from Headquarters need no longer refer to OHRM, included the extension of fixed-term appointments, the granting of special leave as well as the approval of travel on home leave, repatriation grants and special post allowances. Not included in the instruction but mentioned in the memorandum were: the granting of a long-service step for General Service staff members, medical clearances for recruitment and reassignment of staff, approval of the first ten days of sick leave (previously delegated to departments at Headquarters and now extended to all offices away from Headquarters) and the annual review of dependency benefits.[8]

28. A pilot project was launched in October 1997 under which some degrees of authority in human resources management authority were delegated to the Executive Secretary of the Economic Commission for Latin America and the Caribbean (ECLAC). The most important element in the delegation was the authority for recruitment, placement and promotions to posts at the P-2 to P-4 level. Approval for such appointments or promotions was to be on the basis of unanimous recommendations of the programme managers and the appointment review bodies, and any contentious case was to be referred to of OHRM for a decision. Other areas of delegation included classification of General Service posts, agreed terminations and special post allowances. Initial plans to also delegate certain aspects of financial management were never implemented (except for the property write-off for Survey Board cases) in the light of the concerns expressed by the General Assembly about possible changes in budgetary practices and procedures.

29. In April 1999, a team from the Department of Management evaluated the progress on the pilot project as satisfactory and beneficial to both ECLAC and OHRM, and assessed that "it had no impact on budgetary practices and procedures". In particular, the team found that the process for filling posts under the pilot project was shorter than for posts approved at Headquarters. The team also concluded that the Executive Secretary had exercised his delegated authority in a prudent and appropriate

manner with due regard to the policies and guidelines issued with the project.[9] However, the Inspectors noted that the project had not led, as yet, to further delegation of authority to the subregional offices at Mexico City and Port of Spain, although this was included as part of the "reform of the ECLAC Management Scheme".[10]

30. The Secretary-General has launched other pilot projects, mainly in conference services at Headquarters and at UNOV. According to the information provided to the Advisory Committee on Administrative and Budgetary Questions (ACABQ) during the examination of the proposed programme budget for the biennium 2000-2001, these pilot projects "have been suspended, as programme managers concluded that they were unlikely to yield useful results".[11]

31. Special administrative arrangements delegating significant authority have been concluded for entities established in recent years, such as the United Nations Special Commission (UNSCOM) and the United Nations Compensation Commission (UNCC), and treaty organs including the Secretariat of the United Nations Framework Convention on Climate Change (UNFCCC) or the United Nations Secretariat of the Convention to Combat Desertification (UNCCD). The Inspectors have not gone into details as far as these special bodies are concerned, since they are particular cases not funded by the regular budget of the United Nations and they do not form part of the Secretariat.

IV. A MIXED SUCCESS

32. While it may be too early to undertake a thorough assessment of the initiatives described above, the Inspectors believe that some general points can already be made and important lessons drawn. They noted, in particular, that some of the "quick wins" heralded by the Administration had, in fact, already been discarded as impractical, or deferred. The implementation of the delegation to individual departments of annual review of dependency benefits, for instance, has been indefinitely postponed, as it was deemed that departments had neither the time nor the specialized knowledge required to undertake this review.

33. This may actually indicate persisting confusion as to the true nature of delegation of authority, as decentralizing measures, aimed at shifting clerical administrative tasks within the Secretariat from the Department of Management to field or functional offices, have been presented as delegation of authority. These tasks, in fact, should be carried out in a more cost-effective way by the common services units either at Headquarters or elsewhere.

34. Thus, the Inspectors have noted a certain level of dissatisfaction among substantive departments that this so-called "delegation of authority" has sometimes resulted merely in a "dumping of clerical tasks" without a concomitant shift of resources. Furthermore, some managers point out that the major tenet of effective delegation is the idea that authority must be delegated commensurate with the responsibility to be exacted. They are wary of being charged, under the cover of delegation of authority, with additional responsibilities, while lacking the actual authority needed to carry it out.

35. In other cases, managers have been assigned new responsibilities without the adequate tools or resources. This seems to be particularly true of executive offices in substantive departments at Headquarters. While the functions of the executive offices have been the object of a section of a Secretary-General's Bulletin, the description of these functions does not provide a very clear distribution of tasks between executive offices, on the one hand, and OHRM, the Office of Programme Planning, Budget and Accounts and the Office of Central Support Services, on the other.[12]

36. The prevailing confusion had been reported by OIOS in its fourth annual report. In the preface to the report, which admittedly was issued before some of the measures outlined above were announced, the Under-Secretary-General for Internal Oversight Services stated that

when he travels to other duty stations, he "still hears that administrators are not clear about the extent of authority delegated to them and what is being retained as a New York prerogative".[13] In the preface to the OIOS fifth annual report, the Under-Secretary-General reiterated his concern that "accountability continues to be blurred and misunderstood and that delegation of authority is yet to be effectively executed"[14]

37. Generally speaking, the Secretariat appeared to be engaging in this exercise for the delegation of authority on an ad hoc basis only and without a well-thought-out comprehensive strategy, which might lead to confusion and apparent contradictions. Some, in particular, have pointed to one such seeming contradiction in the goals stated in the Secretary-General's reform of decentralizing substantive decision-making and delegating authority, on the one hand, and expanding and strengthening common administrative services, on the other. Only recently was the point made, in a report by OIOS, that delegation of authority to programme managers and the decentralization of monitoring and policy functions to the United Nations offices at Geneva and Vienna were, in fact, crucial factors in enhancing the efficiency and timeliness of common support services.[15] However, a clear distinction has yet to be made between the new authority granted to programme managers and the heightened monitoring role entrusted to departments providing common support and administrative services away from Headquarters. Decision-making powers should be assigned in a more transparent manner to the former and the latter, with a view to avoiding possible conflicts.

38. Because of the very nature of the Organization and the administration of its human and financial resources, a number of administrative actions (such as recruitment, promotion or termination of staff, disciplinary proceedings, award of contracts, disposal of property, etc.) are subject to review by advisory bodies, whose advice must be considered prior to final decisions being taken. The Inspectors believe that a general reflection could be usefully engaged as to the most efficient, effective and timely manner to achieve the desired objectives. The reform of UNIDO described in chapter V.A (para. 52) may be considered as an interesting example in this regard.

39. In his report on human resources management reform, the Secretary-General had described the objectives of his vision for changes in staff administration as including the development of guidelines for the comprehensive delegation of authority to line managers (together with measures for follow-up and accountability), as well as a simplification of Staff Rules and a streamlining of administrative processes.[16]

40. Significant efforts have indeed been made in the last two years to simplify and update Staff Rules. A Task Team on Streamlining Rules and Procedures was established in the Secretariat, which met over several days in April of 1999 to conduct a systematic review of the Organization's personnel rules and procedures, with particular focus on those set out in multiple Secretary-General's Bulletins, Administrative Instructions, Information Circulars, Personnel Directives, or internal memoranda. The Team found that 30 to 40 per cent of the current Personnel Manual could be eliminated by abolishing obsolete issuances, and removing unnecessary material. It also recommended the review and consolidation of some 290 issuances to update the rules and eliminate overlaps and duplications. Following on the Team's recommendations, OHRM has committed itself to simplifying personnel rules and procedures and consolidating them into a shorter, user-friendly and electronically accessible Personnel Handbook by the end of the year 2000.[17] The Unit has been given assurances that work is being actively pursued in these respects, and that the target date for completion remains the end of 2000.

41. While reasonable progress, therefore, appears to have been achieved in realizing one of the objectives outlined by the Secretary-General, it is not clear yet what will be undertaken in concrete terms to develop the guidelines mentioned or the accountability framework supposed to underlie the process of delegation of authority. In his report on resources management dated 4 September 1998, the Secretary-General announced his intention to explore the possibility of establishing a Management Review Panel, which would have the responsibility for reviewing specific cases of non-compliance with delegated

authority, and would recommend to him appropriate sanctions to be imposed (A/53/342, para. 30).

42. While a final decision in this regard has not been promulgated in an administrative issuance, the Inspectors have learned, first, from an electronic communication addressed by the Assistant Secretary-General for Human Resources Management to the staff that an "Accountability Panel" under the chairmanship of the Deputy Secretary-General "is being established to follow up on Department of Management monitoring reports and recommendations of oversight bodies". Furthermore, the Secretary-General's report to the fifty-fifth session of the Genreral Assembly on "Accountability and responsibility" (A/55/270) states, in paragraph 41, that "in order to strengthen monitoring at the most senior level, an additional mechanism has been established in the form of the Accountability Panel . . .". The Inspectors urge that the establishment of the Accountability Panel should be fully and clearly promulgated and explained to the Secretariat staff through an appropriate administrative issuance.

43. Member States have expressed concern at this somewhat fragmented and haphazard approach to delegation of authority. In resolution 53/221, in particular, the General Assembly expressed in strong terms its concerns that delegation of authority in human resources management was proceeding too fast without the necessary buffers. While recognizing the need to promote responsibility and accountability of staff members at all levels, it called again on the Secretary-General to ensure that well-designed mechanisms of accountability, including the necessary internal monitoring and control procedures, as well as training, are put in place before managers are given additional authority in this field. The resolution also noted with concern that some administrative instructions on delegation of authority did not conform to the provisions of decisions of the General Assembly, and emphasized that any delegation should be in accordance with the Charter and regulations and rules of the Organization.

44. In its resolution A/54/249, paragraph 168, of 23 December 1999 on questions related to the proposed programme budget for the biennium 2000-2001, the General Assembly again requested the Office of Human Resources Management to "be more focused on the establishment of a proper system of accountability and responsibility as well as on the improvement of an effective system of administration of justice, as an integral part of the human resources management reform process."

45. These concerns have been mirrored by those of staff representatives, who fear that the Secretary-General has already advanced further than the present mechanisms for accountability allow and that the rights of staff under the regulations and rules may not be sufficiently protected against arbitrary decisions by managers. The Coordinating Committee for International Staff Unions and Associatons of the United Nations system (CCISUA), for instance, referring to ST/AI/1999/1 mentioned above, expressed its deep concern that additional delegation of authority in the administration of the staff rules had been implemented "without establishing adequate mechanisms of accountability and without staff-management consultations during the preparation of this administrative instruction".[18] It requested the Secretary-General to stop the implementation of the administrative instruction and defer any further delegation of authority until concrete and practicable mechanisms of accountability that would ensure the consistency, fairness and transparency of the decision-making process are in place.

46. The Staff Council at United Nations Headquarters had already voiced its "dismay and concern at the inadequacy of staff-management consultations" during the preparation and deliberation of this administrative instruction.[19] It also demanded that all actions concerning further delegation of authority to the programme managers be suspended until "such time that a transparent and verifiable system of accountability" had been established.

47. While the Inspectors welcome most of the measures announced through ST/AI/1999/1 as positive, if rather timid, steps in the right direction, they believe that communication efforts and consultations with the staff must be undertaken on a more systematic basis in order to ensure that they have a better understanding of

such measures and support them.

48. The Inspectors have taken note of the efforts made in this regard by OHRM (through, for instance, the publication of a bimonthly newsletter informing the staff of major policy decisions in human resources management) and by the Deputy Secretary-General, who has in the course of 1998 and 1999 held a series of "town-house meetings" at all major duty stations during which she tried at length to allay staff's concerns regarding delegation of authority.

49. The continued suspicions expressed by staff representatives, however, underline the need to pursue these information endeavours, and most of all, to develop a solid, comprehensive framework for accountability (see chapter V below). The Administration will, to the greatest extent possible, have to consider staff's views and suggestions and ensure that their rights are respected and boost their confidence. It needs to imporve the presentation of its case for delegation through a reasoned, persuasive, participative and systematic approach.

V. DEVELOPING A COMPREHENSIVE FRAMEWORK FOR DELEGATION OF AUTHORITY, EMPOWERMENT AND ACCOUNTABILITY

50. From their analysis of efforts undertaken in the United Nations and other organizations of the system, the Inspectors have drawn a number of lessons as to the prerequisites to a successful process of delegation of authority. They include:

- The adoption of a systematic approach for the identification of areas where delegation is possible;
- The establishment of a culture of clarity, transparency and communication;
- The necessity of providing managers with resources and tools to exercise the authority delegated to them, including adequate support functions; and
- The establishment of a framework of accountability, including appropriate monitoring procedures.

A. Adopting a systematic approach

51. Firstly, an overall plan of action will have to be developed by the Secretary-General, and a policy decision taken on which areas of responsibility require that administrative authority be retained centrally, and which permit authority to be delegated in the interest of a more efficient management system. The Inspectors believe, in particular, that such functions as major policy orientation, monitoring, and oversight fall in the first category. This strategy should be based on the following principles:

(*a*) Delegation of authority and accountability are a vertical chain. The Secretary-General delegates responsibility and authority to heads of departments and offices for delivering programmes, but this does not absolve him of ultimate accountability. They, in turn, remain accountable to the Secretary-General for the responsibilities assigned to them, even though they may delegate authority themselves. Delegation of authority and accountability are therefore integral to every job at every level. What individuals are accountable for may vary significantly at different levels within the Organization: the head of a department will be accountable for large amounts of funds and numbers of people, and major operational objectives; a supervisor may only be accountable for very few staff, and the delivery of very limited outputs. Nevertheless, they are both equally accountable for the timely, economical and effective delivery of their objectives, and for the stewardship of the resources at their disposal to accomplish them. Provided the vertical chain remains unbroken, delegation of authority can be implemented and accountability can be enforced because it can be traced through individuals down or up through the Secretariat. The more diffuse the lines of accountability are, the more difficult it is to delegate authority and to hold people to account. It therefore follows that the most effective accountability mechanisms are those that are integral to the line management structure;

(*b*) Delegated authority should align with organizational assignments of responsibility, so that those with the information, knowledge, and concern for responsible outcomes have the means to act accordingly.

(*c*) Delegation of authority and accountability must focus primarily on allowing people to perform, and on holding individuals personally to account. While there may exist a number of cases where authority is delegated "generically", i.e. to heads of departments or offices, responsibility and accountability for activities and tasks can only be aligned with individuals, not structures. As noted in para. 2 of the Secretary-General's report on "Accountability and responsibility" (A/55/270), ". . . the chain of responsibility, authority and accountability flows vertically *and personally* through the Organization from the Secretary-General to every manager and staff member". Thus, individuals have to discharge their duties not only according to their functional assignments but also to the expectations outlined in their work programme and those linked to the general duties of international civil servants. It should be noted in this context that delegated authority is not automatically "inherited" by staff members when taking over responsibilities from their predecessors. The Inspectors have observed cases in which financial authority was perceived as a sort of hereditary transition in the past, and they appreciate the corrective measures recently taken by the Controller in this regard. They also note, in paragraph 17 of the cited document, the Secretary-General's assurance that "if necessary, the level of authority can be reduced or the authority withdrawn altogether".

52. The Inspectors wish to point out the efforts of the Director General of UNIDO to develop a "Business Plan" enabling UNIDO to adapt its functions and priorities to the realities of the changing global economic environment while reforming its organizational structure. The new structure of UNIDO, aligned with the UNIDO overall strategy and objectives, has emanated from the "Business Plan" and has been based on:

- Redeployment of resources and professional staff;
- Appropriate delegation of authority and accountability mechanisms. For example, delegation of financial authority to field offices and delegation of financial authority for substantive activities are supported by a regulatory framework for financial authorization based on the principle of decentralized financial control in which the allotment holder is personally accountable;
- Decentralization of activities, formulation of key functions and responsibilities of field offices;
- Rationalization of committees with a view to terminating those whose mandates have expired or infringe on newly delegated authority.

53. The World Food Programme, for its part, embarked in the last decade on an extensive institutional and programmatic reform, which has already partially been described in chapter II of this report. It developed a "Mission Statement" together with a long-term financing strategy. The implementation of a broader delegation of authority to managers both at headquarters, and especially at the field level, was assigned as a strategic objective. As a result, a new human resources framework for the delegation of authority was put in place and was implemented with a chart that detailed all the delegations with reference to the appropriate FAO/WFP manual sections and FAO Staff Rules (under which WFP operates), as well as the names of the incumbents of the delegation. The Inspectors were informed that the delegation chart is undergoing further review to reflect the decentralization of the Regional Bureaux, the budgetary delegation for recruitment and the introduction of the new policies and procedures for the management of international staff at the professional and higher categories, following the creation of the new indefinite appointment.

54. While these approaches by WFP and UNIDO may not be entirely applicable to the United Nations, their holistic character could be regarded as a best practice. The Inspectors also recall the thorough and very well-argued document prepared by the Secretariat six years ago, which had already provided a comprehensive analysis of the prerequisites for, and components of, a transparent and effective system of accountability and responsibility.[20] In particular, the annex to that document (which in its essence is reprocduced in annex II to the Secretary-General´s report on "Accountability and responsibility" (A/55/270), illustrates very clearly the flow of interrelated actions linked to

the processes of assigning responsibilities, delegating authority and ensuring accountability. The 1994 report, as well as the examples provided above, highlight the need for the United Nations to develop an overall framework for performance monitoring and accountability at the individual and programme level, as requested by Member States more than six years ago. The Inspectors note from the 1994 and the most recent reports that the comprehensive system of accountability will not be restricted in its application to senior officials only but should, in fact, dictate the conduct of the entire staff. The Inspectors believe that steps taken in the following three areas could serve as the foundations on which such a framework could be solidly established.

(➔ Recommendation 1)

B. Establishing a culture of clarity, transparency and communication

55. As noted in chapter II of this report, delegation of authority flows from the Member States (Charter of the United Nations) to the General Assembly and the Secretary-General, who in turn delegates his authority to staff members within the Secretariat to fulfil his mandate. Therefore, the authority is based on a cascade of acts of delegation, which should all be systematically reviewed for clarity and for internal consistency with current United Nations regulations and rules, and with the policies set by the legislative bodies. Any inconsistency, contradiction, confusion or lacuna in the chain of delegated authority should be clarified.

56. It is evident that the guidance provided to the Secretary-General by the General Assembly should itself be clear and unambiguous, so as to avoid confusion in its interpretation by the Secretariat.

57. The Secretary-General delegates administrative and substantive authority to other officials through Secretary-General's Bulletins (ST/SGB series). Bulletin ST/SGB/1997/1, of 28 May 1997, entitled "Procedures for the promulgation of administrative issuances" clearly stipulates those matters which require the issuance of Secretary-General's Bulletins, and those which require administrative instructions (ST/AI series). The latter require approval by the Under-Secretary-General for Management or other specifically authorized officials. It is clearly stated therein that rules, policies or procedures intended for general application may only be established by duly promulgated Secretary-General's Bulletins and Administrative Instructions.

58. Among matters requiring the issuance of a Secretary-General's Bulletin are:

(*a*) Promulgation of rules for the implementation of regulations, resolutions and decisions adopted by the General Assembly, including:

(i) Promulgation of financial regulations and rules, and publication of consolidated texts thereof;

(ii) Promulgation of staff regulations and rules, and publication of consolidated texts thereof;

(iii) Promulgation of regulations and rules governing programme planning, the programme aspects of the budget, the monitoring of implementation and the methods of evaluation, and publication of consolidated texts thereof;

(*b*) Promulgation of regulations and rules, as required, for the implementation of resolutions and decisions adopted by the Security Council;

(*c*) Organization of the Secretariat.

59. Administrative instructions, on the other hand, are meant to prescribe instructions and procedures for the implementation of the Financial Regulations and Rules, Staff Regulations and Rules or Secretary-General's Bulletins. A lower level of administrative issuances, information circulars, are issued under the authority of ST/SGB/1997/2, for the purpose of conveying general information on, or explanations of, established rules, policies and

procedures, as well as isolated announcements of one-time or temporary interest. They are not, however, to be used for promulgating new rules, policies or procedures.

60. These clear policies for the promulgation of administrative issuances are not always observed. Recognizing that the difficult task of reviewing and "streamlining" old (prior to June 1997) issuances is a time-consuming process that is still continuing, the Inspectors have observed instances of circulars issued after June 1997, which do not conform to the prescribed requirements, or where binding procedures were announced through other than the prescribed means.

61. Steps must be taken to further clarify the rules, and all administrative issuances, which guide managers daily in the administration of human and financial resources entrusted to them. The complex drafting of the final provisions of ST/AI/1999/1, which refer to documents not generally available and the interpretation of which requires additional research by the user, illustrates the need for the Secretariat to issue simple and straight forward instructions. Current efforts to streamline procedures described in chapter IV must therefore be accelerated and, if need be, the Secretariat should propose to the General Assembly appropriate revisions to the Regulations.

(➞ Recommendations 2 and 3)

62. As regards the Financial Rules, the current version is contained in document ST/SGB/Financial Rules/1/Rev. 3 (1985) and in an amendment thereto (ST/SGB/1998/15), issued on 30 September 1998, which relates to a rule dealing with the Property Survey Board. The Inspectors have noted a number of inconsistencies and even contradictions in the contents of the Rules, and between some of the Rules and another Secretary-General's Bulletin.

63. Specifically, under the Financial Rules, a number of responsibilities are delegated directly to the Controller, for instance, in the areas of requests for remittal of contributions and advances by Member States and non-member States (rules 105.6 and 105.8), and the receipt, custody and investment of funds, including investments of the United Nations Joint Staff Pension Fund (UNJSPF). (Rules 109.1 and 109.2). At the same time, in document ST/SGB/1997/11, on the organization of the Department of Management, responsibility for contributions from Member States, receipt and custody of funds and "increasing the earnings potential of funds under management" is vested on officials directly responsible to the Under-Secretary-General for Management. UNJSPF investments, although not referred to in the cited SGB, are handled by an Investments Management Service directly responsible to the Under-Secretary-General for Management.

64. Other discrepancies have been noted. For example, by its decision 50/472 of 23 December 1995, the General Assembly decided to amend Financial Regulations 2.1 and 11.4, related to the budget cycle of peace-keeping operations. Neither the revised text of the Regulations, nor the expected revision of rule 111.4, announced in paragraph 3 of the report of the Secretary-General on this issue (A/50/787), has been promulgated, as is required, in a Secretary-General's Bulletin.

65. The same situation prevails with regard to the amendments approved by the General Assembly in its resolution 52/212 B, of 31 March 1998, related to the "Additional terms of reference governing the audit of the United Nations", which are an integral part of the Financial Regulations. In this connection, it is to be noted that in the same resolution, the General Assembly also endorsed, with certain provisions, the recommendations of the Board of Auditors (A/52/753, annex, paras. 6 and 7) related to the disclosure of office holders to be held accountable for the implementation of recommendations made by the Board, and with the issue of sanctions to be invoked in the event that failure to implement the recommendation is attributable to the negligence and mismanagement of the responsible officer(s). This resolution of the General Assembly is at the heart of the issues of delegation/accountability, and its contents should be generally known to the staff of the Secretariat, through appropriate administrative issuances, and in particular to department heads/programme managers, who are directly affected.

66. The Inspectors cannot but voice their concern over the laxity and lack of clarity and transparency which have existed in respect of the formulation of administrative issuances and in the implementation of policies, as noted above. The current version of the Financial Rules dates back to 1985 and has not been revised to reflect changes in policies and practices that have occurred since then. Despite the assurance contained in the report of the Secretary-General of 5 August 1994 (A/C.5/49/1, para. 24) to the effect that a review of the Financial Regulations and Rules was then being undertaken with a view to the submission to the General Assembly, for consideration at its fiftieth session, of a revised text, this has not yet occurred. The Inspectors note the renewed assurances provided in the Secretary-General's report on "Accountability and responsibility" (A/55/270, para. 9), that "a review of the financial regulations and rules is under way".

67. It seems imperative, in order to create a climate of administrative discipline and order, that basic documents, which in fact guide the functioning of the Secretariat, should be clear, unambiguous and current. Permitting departures from the basic texts - as well intentioned as they may be - without promulgating appropriate revisions, creates a climate of laxity and disrespect for the rules, which could have serious repercussions.

68. Similarly, it is imperative to respect the procedures for the promulgation of administrative issuances (ST/SGB/1997/1) so as to ensure not only clarity in the formulation of the procedures and instructions, but also avoidance of contradictions between different such issuances. In this regard, matters of a binding administrative nature should be promulgated exclusively through prescribed means, namely, Secretary-General's Bulletins or Administrative Instructions. Modifications to or cancellation of administrative issuances should only be promulgated by another administrative issuance of the same or higher rank.

(➞ Recommendation 4)

69. Practice has shown, however, that the functioning of delegation of authority, and of a transparent and effective system of accountability, involves more than revising regulations, rules and procedures and decreeing a shift in decision-making powers. An important element in the development of the system is the ongoing promotion of a new culture of trust and communication. The attributes of this new culture can be defined as follows:

- Emphasis on people: people should be challenged, and encouraged. They should be given the possibility to act and to use their judgement. It should be understood that better performance is a product of people who care rather than systems that constrain;
- Leadership should not be authoritarian or coercive but participative to the extent possible.;
- Strong output orientation as opposed to process or procedures orientation.[21]

70. The significance of this culture is that it recognizes that responsibility, authority and the obligation and readiness to answer for one's actions are interactive and inextricably linked; and that it is the effective interrelationship of these elements that will drive the Organization to achieve management excellence. To achieve this goal, attitudes and well-entrenched bureaucratic habits need to be changed through leadership and training. Negative or punitive connotations often associated with the terms of authority and accountability should be avoided and emphasis placed instead on the positive aspects of delegation and responsibility including in terms of career development and empowerment.

(➞ Recommendation 5)

71. A number of organizations have made attempts to foster such a new culture. The above mentioned "business plan on the future role and functions of UNIDO" was supported by a new staff career development system. The Administrator of UNDP, for his part, released a "UNDP 2001 Compact" whose purpose is to set out the goals of the Bureau for Planning and Resource Management. The innovation consists in defining detailed objectives aligned with UNDP strategic goals. The "UNDP 2001 Compact" identifies indicators of success for each

objective with relevant benchmarks. The objectives will then be incorporated into individual annual unit work plans, becoming part of individual performance plans. Thus, each individual can understand better his/her own contribution to the overall mandate of the organization. UNHCR in its broad change initiatives has introduced "Accountability Agreements", the purpose of which is to outline the prerequisites and clarify the roles and responsibilities of all concerned parties pursuant to the delegation of financial authority.

72. In the case of UNHCR, a "Covenant" was signed to establish the roles and responsibilities of all concerned parties once human resources management authority has been delegated to line management. As an integral part of this "Covenant", the UNHCR Division of Resources Management undertakes to provide:

- Human resources management training for UNHCR Representatives to focus on what the implications of delegated human resources authority are for them as managers;
- Functional human resources training for the administrative staff who will perform the delegated function;
- A comprehensive Personnel Manual covering all the delegated human resources authority.

73. Similar investments in training will be needed in the United Nations to ensure that staff at all levels have the required skills, as empowerment through delegation of authority does not come naturally. In fact, for many people, it is easier to manage or work in a tightly controlled environment than in one that gives staff, especially managers, a certain degree of freedom.

74. The Inspectors have noted the efforts undertaken by the Secretariat of the United Nations over the past few years to train supervisors in "peoples' management" and staff and managers alike in conflict-resolution techniques. Details of specific programmes for training supervisors and managers are described in paragraphs 20-22 of the Secretary-General's report on "Accountability and responsibility" (A/55/270). The Unit is also aware that, as part of efforts to change the organizational culture and build human resources capacity, the United Nations has undertaken a participatory process to define organizational core values and core and managerial competencies and that staff development programmes are being realigned, and new programmes developed, to strengthen and build these competencies. The Inspectors believe it is important that these efforts should be pursued and complemented by programmes aimed at better informing staff of their rights and obligations. Such programmes should be an integral part of any induction syllabus. Also, increased attention is to be given to managerial skills in the recruitment process. These investments in training will entail costs for which the Organization should budget.

C. Empowering and monitoring managers

75. The Inspectors agree with the premise that what can be delegated should be delegated. However, the authority delegated must be very clearly defined, as in a contract, and may require a special letter or document, assigning formal authority and responsibilities to specific staff members. There must be absolute clarity about roles and responsibilities to prevent continued confusion about responsibilities.

76. This is especially important, as the Secretariat is undergoing important transformations. Staff members should know without ambiguity what needs to be done and what is expected of them. Each delegation order must at a minimum include the following:

(*a*) Citation of the original source of authority;
(*b*) Description of the authority to be delegated with clear and consistent objectives;
(*c*) Any limitation imposed, including any limitation on sub-delegation;
(*d*) Citation of any previous delegations which are to be revised or rescinded, if appropriate;
(*e*) the date on which the delegation is to become effective and statement of the duration of the delegation;

(f) the details of the reporting duties which go together with delegation of authority so as to permit proper monitoring (volume, frequency of reporting and other details, in particular in relations between the field and headquarters).

77. All instruments of delegation should be reviewed for clarity, for internal consistency with current United Nations policies, regulations and rules, and especially for the possibility of further delegation. It is understood that all authority which is delegated is subject to modification and/or withdrawal.

(➔ Recommendation 6)

78. Generally speaking, the successful implementation of delegation of authority to managers will depend to a large extent on the efficiency of the support functions (financial and human resources management, procurement, building management, information technology, etc.) provided to them either under their direct supervision or by "common" services in locations where more than one substantive unit exists. The provision of efficient support in terms of administrative services will assist the empowered managers to exercise their authority in order to deliver the work plans and manage their units. At the same time, they must be able to obtain, as required, additional guidance as to correct implementation and interpretation of financial, staff and programme planning regulations, rules and administrative instructions. The Inspectors feel that the establishment in the Office of Human Resources Management of a type of "help-desk" function devoted to providing such guidance would go a long way towards reinforcing managerial competencies and accountability. Similar advisory functions should be provided to assist managers in discharging their newly delegated financial responsibilities. In this regard, the Inspectors wish to highlight as a good practice that of UNHCR in creating Senior Resource Manager positions to provide such assistance.

79. It could be argued that a fair delegation of authority to programme managers would place related decision-making with those who are responsible for implementing mandated work programmes, and would minimize time-consuming bureaucratic processes. This objective is achievable to the extent that managers are thoroughly familiar with pertinent Organization-wide policies as defined by the General Assembly. Alternatively, they need to have access to such expertise through their own or "common" administrative support services, together with the guidance to be provided by the central administrative services.

(➔ Recommendation 7)

80. Indeed, as pointed out by the WFP Executive Director, as management accountability increases, the role of the support functions is bound to change from one which is control-oriented, to that of helping managers to manage. This is particularly important in the case of the United Nations Secretariat, with its major offices away from Headquarters, where common administrative services to substantive units are provided to differing degrees by a "central" (at each location) unit. Efforts are required to attain a change in mentality so that those providing administrative services do not confuse their support role with that of decision-making, which is a function that should be exercised by the substantive head of office.

81. Managers, whether at Headquarters or in the field, must have constant and immediate access to relevant information. The development of IMIS should be very useful in this regard, once current limitations and difficulties are overcome. The implementation of IMIS has certainly resulted in improved access to information and increased accuracy in administrative processing. However, many offices have complained that the poor behaviour of the system, its lengthy time of response, its limited capacity to provide workload statistics as a basis for performance indicators, and delays in the completion of its various phases have so far not allowed the efficiency savings initially expected from its implementation to occur. Furthermore, the Inspectors believe that full advantage has not yet been drawn by the Secretariat from the opportunities offered by the Intranet to make general information widely accessible in a user-friendly format.
(➔ Recommendation 8)

82. With reference to the issue of monitoring, as has been noted in paragraphs 24, 43 and 44, the General Assembly has been consistently preoccupied, when dealing with issues of delegation of authority, with the need to ensure central control for overall policies determined by it with regard both to financial and human resources issues. It is imperative that the central units retain an ongoing monitoring capability, through which they may gauge progress and detect possible deficiencies. The degree of monitoring and the related reporting obligations should be commensurate with the degree of delegated authority.

83. Such monitoring capacity is conditional on the availability of adequate information technologies and systems, as well as the cooperation of the pertinent oversight mechanisms. As the Consultative Committe on Administrative Questions (CCAQ) has noted in its Web page on enhanced financial procedures, accounting processes are being made more efficient through the development of automated systems, incorporating validation processes to minimize input errors. Improved integrated management information systems provide more timely and accurate cost information and more accurate details of available funds, so that unintentional spending beyond budgetary allotments is avoided. Managers also have greater authority to redeploy resources and to be more responsive to changing requirements while staying within overall budgetary limits.

84. Similarly, information technology should facilitate regular reporting on pertinent human resources actions so as to guarantee OHRM the possibility of exercising regular monitoring of actions for which it has overall policy responsibility.

(➞ Recommendation 9)

D. Measuring performances and drawing the consequences

85. The third basic element of the accountability framework will be the ability of the Organization to actually measure the performance of officials to whom authority is delegated, and the extent to which it acts on these findings. The performance appraisal system (PAS) introduced in 1995 is an important step in this regard. The strengthening of enforcement mechanisms, including the increased use of disciplinary action against individuals engaged in wrongful activities, if it is accompanied by improvements in the administration of justice, will also serve to underlie any accountability system which the Secretariat may put forward.

86. Mechanisms are yet to be put in place, however, to distinguish between deliberate and accidental failure, i.e. between:

- Failure due to corruption, dishonesty and dereliction of duty, which needs to be dealt with by disciplinary sanctions; and
- Failure due to poor judgement, ignorance or inexperience, which should be dealt with by remedies such as training or, as the last resort, transfer to other posts.

87. For the former, there would appear to exist a sufficient body of regulations and rules intended to constrain improper behaviour, such as Staff Rule 112.3 ("Any staff member may be required to reimburse the United Nations either partially or in full for any financial loss suffered by the United Nations as a result of the staff member's negligence or of his or her having violated any regulation, rule or administrative instruction.") and Financial Rule 114.1 (". . . Any official who takes any action contrary to these Financial Rules or to the administrative instructions issued in connection therewith, may be held personallyangel responsible and financially liable for the consequences of such action"). Evidently, in addition to the above-cited rules, any staff member whose failure is due to corruption, dishonesty and dereliction of duty, would be subject to the provisions of chapter X of the Staff Regulations and Rules.

88. This is particularly important in the case of the conduct of programme managers, as witnessed by the request addressed to the Secretary-General by the General Assembly in its resolution 51/226, section II, paragraph 3, to "Issue specific administrative instructions to establish clearly the responsibility and accountability of programme managers for proper use of human resources, as well as sanctions in

accordance with Staff Rule 112.3 for any financial loss suffered by the United Nations as a result of gross negligence, including improper motivation, wilful violation of or reckless disregard for the Staff Regulations and Rules and established policies regulating recruitment, placement and promotion".

89. The Inspectors have taken note of the reports of the Secretary-General contained in documents A/53/849 and A/54/793 on management irregularities causing financial losses to the United Nations. In their view, these reports are preliminary steps to comply with the request made by the General Assembly mentioned above and urge that it should be fully implemented.

90. As regards cases arising from poor judgement or inexperience, there would appear to be a need for the Secretariat to institute mechanisms such as training specifically geared to deal with each case (as opposed to general training courses available to staff at large, on a voluntary basis). Ultimately, such cases may reflect failings in the placement policies of the Secretariat through the assignment of staff to posts for which they may not be fully qualified or suited. They should be addressed through a more rigorous and vigilant recruitment/placement system.

91. Thus, a comprehensive system of accountability must be based on the following principles:

- The establishment of a climate of **clarity** and **transparency** in the promulgation of instructions (administrative issuances) and **communication** at all levels of the Secretariat, and particularly between managers and subordinates;
- The provision to managers of all the necessary support, information and guidance for the functions which they are to perform, including those relevant to their relations with subordinates, and for the resolution of possible discrepancies; and
- The existence of adequate mechanisms for the evaluation of the performance of officials to whom authority is delegated and the strengthening of enforcement mechanisms to deal with cases of failure.

(➔ Recommendation 10)

92. The Inspectors would not wish to conclude this report without referring to the serious concerns of the staff, as expressed through the recognized representative bodies (see paragraphs 45 and 46 above) that, in the absence of a proper system of accountability, the rights of staff under the regulations and rules may not be sufficiently protected against arbitrary decisions by managers. It is recommended that the Administration should consider, to the greatest extent possible, the staff's views and suggestions, ensuring that their rights are respected and that consultations with staff representatives are undertaken in the context of the improved system of communication.

(➔ Recommendation 11)

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93. In summary, it can be stated that in terms of its administration, the United Nations could only have functioned since its inception through the application of delegation of authority. The Secretary-General, in attempting to bring to the Secretariat the features of a modernized management culture, has made considerable efforts to increase the use of delegation of authority. This process has received an initial general welcome by the Member States, but has also been the object of expressions of concern with respect to many of its specific details, notably with regard to the need for central control. The Inspectors believe that the process should proceed but, to keep it on the right track, a number of prerequisites and benchmarks, as outlined in this report, need to be strictly adhered to.

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NOTES

1. A/9841 of 4 November 1974, para. 61.

2. WFP/EB.1/99/3-B of 9 December 1998. Organizational change at WFP: a status report.

3. A/53/226/Add.1 of 13 August 1998, para. 59.

4. A/51/950, of 14 July 1997. Renewing the United Nations: a programme for reform, report of the Secretary-General, chapter VI, section B, strategy 3.

5. Ibid., action 23.

6. A/53/414 of 13 October 1998, para. 10. Human Resources Management Reform.

7. Secretary-General's statement to the Fifth Committee, 5 October 1999, press release GA/AB/3311.

8. Memorandum dated 17 November 1998 from Mr. Joseph Connor, Under-Secretary-General for Management, to all heads of departments and offices, entitled: "Quick wins in human resources management reform".

9. A/53/947 of 10 May 1999.

10. LC/G.2011(SES.27/7) of 31 March 1998, chapter II A. "Reform of the ECLAC Management Scheme: Delegation of Authority and Accountability".

11. A/54/7, para. 124.

12. ST/SGB/1997/5 of 12 September 1997. Organization of the Secretariat of the United Nations.

13. A/53/428 of 23 September 1998.

14. A/54/393 of 23 September 1999.

15. A/54/157 of 30 June 1999, para. 15, Review of Common Services in the United Nations.

16. A/53/414, para. 26, 13 October 1998, Human Resources Management Reform.

17. Report to the Assistant Secretary-General for Human Resources Management of the Task Team on Streamlining Rules and Procedures, 28 April 1999, and OHRM Human Resources Management Highlights, No. 6, May/June 1999.

18. Resolution of 31 March 1999 adopted by the XIV CCISUA Assembly.

19. UN Staff Report, volume 24, No. 20, page 6.

20. A/C.5/49/1 of 5 August 1994.

21. "Performance auditing and the modernization of government", OECD report, Public Management Unit, Paris, 1998.